

# **TITLE GUARANTY MANUAL**

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## **Article I. Background and Purpose**

The Iowa Legislature created Title Guaranty in 1985 to provide additional guarantees of Iowa real property titles, to facilitate mortgage lenders' participation in the secondary market and to add to the integrity of the land-title transfer system. It became operational on January 1, 1987. Title Guaranty is totally self-supporting, and all revenue over and above operating expenses funds home ownership programs for first-time homebuyers in Iowa. Since its inception, the Division has increased services to our customers and has made periodic updates to the Title Guaranty Manual, formerly known as the Attorney Manual, (Manual) on an as-needed basis.

The primary purpose of the Manual is to explain the proper use of forms adopted by the Division and to set out Division underwriting standards, procedures and requirements. The Manual provides guidance to attorneys and abstractors in determining whether sufficient documentation exists to allow Title Guaranty Certificates (Certificates) to be issued to cover particular risks and whether coverage should be expanded through the issuance of one or more Endorsements. This Manual is designed primarily for residential transactions. Some general background of the Division and the basic rate structure are also included.

Lenders, abstractors, attorneys and realtors are urged to become familiar with the material in this Manual. Familiarity with the material in the Manual is a must for attorneys and abstractors using the Title Guaranty Program, either directly (by issuing Commitments, Certificates and Endorsements) or indirectly (by preparing abstracts and title opinions).

**Section 1.01      *How Title Guaranty fits into a typical purchase  
real estate transaction***

The following steps illustrate how the Title Guaranty Division will fit into a typical real estate transaction:

1. The real estate offer and acceptance is executed. It may include provisions for the payment of Title Guaranty costs.
2. The borrower/buyer contacts the lender regarding a mortgage loan.
3. The lender decides to make the loan and considers the need to secure a Title Guaranty Certificate.
4. The lender informs the borrower of the need to secure a Title Guaranty Certificate and informs the borrower of the Iowa Title Guaranty Program. The lender may also provide an informational brochure which describes the Program. The lender informs the borrower that the cost of the lender's Title Guaranty Certificate will be included as part of the borrower's settlement costs. It is recommended that lenders also advise borrowers of the availability of Owner's Title Guaranty Certificates.
5. A participating abstractor updates the abstract and delivers it to a participating attorney who will render the preliminary title opinion. The participating attorney, a processing abstractor, or the Division will then issue the Title Guaranty Commitment (binder) for the Lender Certificate, if one is requested by the lender. If the buyer informs the lender that the buyer wants coverage, proposed Owner Coverage is included on the Commitment. The Division does not require a Commitment for residential loans under \$500,000 and many lenders do not use them except in unusual situations. The Commitment will require that the defects noted in the preliminary title opinion be cured before the final Title Guaranty Certificate is issued. The defect(s) noted in the preliminary title opinion will be included in the "Requirements" section of Schedule "B" of the Commitment. Note: When a participating attorney issues the Commitment, a written preliminary title opinion is not required.
6. The closing agent and the participating attorney will see that the defects identified in the preliminary opinion and/or Commitment are either (a) cured by recording of the proper instruments, (b) covered by an Endorsement, or (c) excluded from coverage under the final Title Guaranty Certificate.
7. The loan is closed and the cost of the Certificate is collected from the borrower as part of the borrower's closing costs.
8. After the loan is closed, the closer disburses the loan proceeds. As part of the disbursement, the closer sends a check for the premium amount to the attorney, the abstractor, or the Division. The check shall be made payable to the Treasurer State of Iowa.

9. The abstract is re-continued. The participating attorney issues a final title opinion. The participating attorney, processing abstractor, or the Division issues the Certificates along with the appropriate Endorsements. When a participating attorney issues the Certificate(s), a written final title opinion is not required. When the attorney or abstractor issues the Certificate and any Endorsements, he or she must send appropriate copies to the Division along with the check for the premium.
10. To expedite the time in which it takes to issue the final Certificates, please see Article IX for details on the Division's Rapid Certificate Program.
11. For non-purchase transactions, or refinances, see Article VIII.

## Section 1.02      *Administration*

Day-to-day administration of the Title Guaranty Program is coordinated by the Title Guaranty Division staff located at 200 East Grand, Suite 350, Des Moines, Iowa.

For assistance in completing forms, computing premiums, or underwriting questions, please contact the Division at 515-242-4989 (or toll free at 800-843-0201) between 8:00 a.m. and 4:30 p.m. Monday through Friday.

General information, forms, and documents are available on the Division website at [www.ifahome.com](http://www.ifahome.com). Also available at the site are prior Certificate Search, Premium Calculation, Certificate Audit for issuing attorneys and on-line Application Processing for issuing attorneys trained in that process.

### Section 1.03      ***Organization of the Title Guaranty Division***

The Title Guaranty Division (Division) is a division within the Iowa Finance Authority (IFA) which is governed by Chapter 16 of the Iowa Code. The powers of the Division are vested in and exercised by a Division Board of five members appointed by the Governor subject to confirmation by the Senate. Pursuant to statute, the membership of the Division Board consists of an attorney, an abstractor, a real estate broker, a representative of a mortgage-lender, and a representative of the housing development industry. The Director of the Division is an attorney appointed by the Executive Director of the Iowa Finance Authority pursuant to the statute, and serves as an ex-officio member of the Board.

The IFA Board interrelates with the Title Guaranty Division Board, and the IFA Board has certain responsibilities under the statute. The IFA Board acts in a limited capacity as a reviewing or approving body in certain situations that are set out in the statute.

The Division offers Title Guaranty Certificates, approves the terms, conditions and form of the guaranty contracts, fixes the charge for the guaranty, approves the amount of liability coverage required for participants, becomes subrogated to the rights of claimants and is the recipient of all documents and notices in connection with the Program. A Title Guaranty Certificate which has been issued under the Program is an obligation of the Title Guaranty Division only and is not a general State obligation.



## Section 1.04      *Abstracters and Title Guaranty*

A Participating Attorney's title opinion must be based on a certified abstract prepared by a Title Guaranty Participating Abstractor. Abstractors are required pay a one-time \$25.00 fee and complete a Participating Abstractor Agreement to become a Participating Abstractor. Participating Abstractors are also required to complete and submit annual questionnaires to the Division.

Participating Abstractors are required to act in accordance with Iowa Land Title Association Abstracting Standards as set out in the "Blue Book" of the Iowa Land Title Association, Iowa Abstracting Standards, and the short form abstract for the "nonpurchase product" presented in Article VIII of this Manual.

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### *Abstractor Processing*

Pursuant to 265 I.A.C. 9, the Division may contract with Participating Abstractors to prepare and issue Commitments, Certificates, Endorsements and other forms for the Division using the Division's on-line system. Processing Abstractors, in addition to the above-described requirements for Participating Abstractors, must complete and submit an annual questionnaire to the Division along with an annual renewal fee of \$40.00. Processing Abstractors must complete an application and submit a non-refundable \$100.00 application fee to the Division. If the Abstractor's application is approved by the Division, the Abstractor shall enter into an Abstractor Processing Agreement with the Division. To qualify as a processor of Title Guaranty Commitments, Certificates and Endorsements, an abstractor must meet the following requirements:

- Applicant must be a Participating Abstractor in good standing with the Division.
- Applicant shall constantly keep in force errors and omissions insurance in the amount of \$500,000.00 per claim (up to \$10,000.00 deductible) and a total aggregate annual limit of \$500,000.00. The policy shall be endorsed to include the Division as a certificate holder. The Division must be immediately notified by the insurance carrier of any lapse in or termination of coverage.
- Applicant, including its partners, officers, members, employees, and spouses thereof, must consent to credit and criminal background investigations as deemed necessary by the Division. The Applicant must fully cooperate with the Division to obtain consents and waivers as required to conduct such investigations. If the Applicant or its partners, officers, members or employees has been convicted of forgery, embezzlement, obtaining money under false pretenses, theft, extortion, conspiracy to defraud, or other similar offense(s), or of any crime involving moral turpitude in a court of competent jurisdiction in this state, or in any other state, territory, or district of the United States, or in any foreign jurisdiction, the Division may deny approval of such applicant. For purposes of this section, a Conviction includes a guilty plea, deferred judgment, from the time of entry of the deferred judgment until the time defendant is discharged by the court without

entry of judgment, or other finding of guilt by a court of competent jurisdiction. The Applicant must agree to reimburse the Division for costs associated with credit and criminal background investigations. The Division maintains the right to conduct these investigations as often as it deems necessary.

- Applicant must attend one or more Division training sessions, as required by the Division.
- Applicant, upon approval by the Division, must execute an Abstractor Processing Agreement

### **Abstractor Processing Limitations**

A participating abstractor authorized to process Title Guaranty Commitments, Certificates and Endorsements on behalf of the Division shall obtain the prior written authorization of the Division's legal staff prior to issuing the following:

- Commitment or Certificate for a construction loan or a loan paying off new construction funds.
- Non-residential Commitment, Certificate or Endorsement.
- Commitment, Certificate, or Endorsement with coverage exceeding \$500,000.00.

If authorization required under these limitations is not obtained through the act or omission of the participating abstractor, the participating abstractor shall be strictly liable to the Division for any loss or damage resulting from issuance of Title Guaranty Commitments, Certificates, Endorsements, and other documents.

### **Abstractor Processing Responsibilities**

The abstractor processing the Title Guaranty Commitment, Certificates or Endorsements, has responsibilities to the Division, including, but not limited to:

- Confirm the attorney and abstractor are "Participants" in the Title Guaranty Division program.
- Obtain the express written authorization from the Participating Attorney preparing the title opinion to utilize such opinion for the purpose of issuing the Division's Commitments and Certificates.
- Confirm with the Participating Attorney who prepared the title opinion that any objections in the opinion have been waived or satisfied
- If name searches were not performed, the following Special Exception should appear in Schedule B of the commitment and/or certificate: "Judgments, liens, claims, and any other miscellaneous matters that would be revealed by an abstractor's search against the name of, or names similar to: \_\_\_\_." Note: If no judgments, liens or encumbrances or shown against the owner, buyer or seller, the Guaranteed can assume that there are no judgments, liens or encumbrances filed of record against said owner, buyer or seller.
- Verify public access to and from the land. If the property does not abut a public road or an access easement providing access is not covered by the abstract and title opinion, raise the "access exception" on Schedule B of the Commitment and Certificate.

- Include recording data, including the date and book and page/document number for all recorded documents.
- Review all documents for accuracy.
- Assure the required parties (all titleholders and spouses, properly indicating marital status, i.e. single or husband and wife) have signed the mortgage, and if not, immediately notify the Division. In that instance, do not issue a certificate without approval from the Division.
- Review the appraisal, Real Property Inspection Report, survey and other available information to assure current date, consistency of legal description (not more or less), address and status of any new construction.
- Secure required information from lender and/or owner concerning the new improvements, encroachments, boundary line disputes and parties in possession.
- Promptly respond to requests for additional information from the Division.
- Apply Division standards and procedures and comply with all Division requirements when processing Title Guaranty Commitments, Certificates or Endorsements.
- Maintain a permanent record of Commitments, Certificates and Endorsements issued and supporting documentation.

This is not an exhaustive list, and “Processing Abstractors” are bound by the provisions relating to the Division found in Iowa Code Chapter 16, 265 Iowa Administrative Code Chapter 9, the Abstractor Processing Agreement, this Manual, and other procedures, guides, directives, or any other written or oral instructions or requirements given by the Division.

## Section 1.05      *Attorneys and Title Guaranty*

The attorney rendering a title opinion for purposes of issuing Title Guaranty Commitments, Certificates and Endorsements must be a “participant” in the Title Guaranty Program. This can be accomplished by remitting a one-time \$25.00 participation fee and by completing a Participating Attorney Agreement. Participating Attorneys are also required to submit an annual questionnaire to the Division. The attorney’s procedure in examining a title is the same whether or not a Title Guaranty Certificate is issued. The attorney examines the abstract in accordance with the established Iowa title standards and will render a professional opinion concerning the title.

The Division allows select participating attorneys to issue Title Guaranty Commitments, Certificates, Endorsements and other forms. The “Issuing Attorney” can either issue documents to the Division through paper, or through an Internet based software system.

The Division allows participating attorneys to both create and submit Certificates to the Division through an Internet based software system. The “Web Issuing Attorney” uses this time and money saving tool to facilitate their participation in the Title Guaranty Division process. This application utilizes portions of the custom in-house application in order to increase the underwriting capabilities of the Web Issuing Attorney’s office. This substantially reduces the time spent on data entry by the attorney. It also offers automation of several standard repetitive processes that will accomplish more in less time. It further reduces the initial entry process for all participants by automatically inserting data into the appropriate fields.

### **Attorney Responsibilities**

Depending on the attorney’s role in the transaction and coverage to be provided in the Commitment, Certificate or Endorsements, the attorney may have responsibilities to the Division in addition to examination of the abstract, including:

- Confirm the abstract is complete according to the Marketable Title Act and the Iowa Land Title Standards.
- Make sure lien searches have been performed on the appropriate parties. The Division does not require that lien searches be done against the buyers/borrowers. However, many secondary market investors do. If no lien searches are done on the buyers/borrowers, the attorney should note this on the title opinion and add the following Special Exception on Schedule B of the Certificate(s): *Judgments, liens, claims, and any other miscellaneous matters recorded or record against the name of, or names similar to\_\_\_\_\_.*
- Report on right of access to and from the land.
- Include recording data for recorded documents.
- Review all documents for accuracy.
- Assure all required parties (all titleholders and spouses, properly indicating marital status, i.e. single or husband and wife) have signed the mortgage, and if not, immediately notify the Division. In that instance, do not issue a Certificate without approval from the Division.

- Review the appraisal, Real Property Inspection Report, survey and other available information to assure current date, consistency of legal description (not more or less), address and status of any new construction.
- Secure required information from lender and/or owner concerning new improvements, encroachments, boundary line disputes and parties in possession.
- Provide all information required by the Division to issue Commitments, Certificates or Endorsements.
- Promptly provide additional information requested by the Division.
- Apply Division underwriting standards and procedures and comply with all Division requirements when representing the Division or a Guaranteed or when Commitments, Certificates or Endorsements are issued.
- Maintain a permanent record of Commitments, Certificates and Endorsements issued and supporting documentation. Pursuant to 265 IAC 9.6(2)“g”, attorneys must maintain title files and the title portion of client files for 10 years after the effective date of the Certificate(s).

This is not an exhaustive list, and participating attorneys are bound by the provisions relating to the Division found in Iowa Code Chapter 16 (2003), 265 Iowa Administrative Code Chapter 9, the participating attorney agreement, this Manual and other procedures, guides, directives, or any other written or oral instructions or requirements given by the Division.

### Section 1.06      *Claims*

Notification of a claim must be made by the Guaranteed to the Division in accordance with the Conditions and Stipulations of the Certificate. Claims are handled in accordance with the procedures set out in the Iowa Administrative Code.

### Section 1.07     *Audits*

Audits will be performed in accordance with the procedures set out in the Iowa Administrative Code.

## **Article II. Information and Documents Required for Certificate Issuance**

This section provides an overview of the information and documents needed for Title Guaranty Certificate issuance.



### Section 2.01      *Information Required by the Division*

1. Application for Title Guaranty (fully completed - see instructions).
2. Participating Attorney's signed preliminary title opinion including TGD Member Number. When a participating attorney issues the Commitment, a written preliminary title opinion is not required.
3. Participating Attorney's signed final title opinion including TGD Member Number. When a participating attorney issues the Certificate, a written final title opinion is not required.
4. Required information found in a Preliminary Title Opinion:
  - a. Date and time of the last abstract certification. If the attorney is examining Form 900 on a non-purchase transaction, this must be disclosed in the title opinion.
  - b. Name of abstract company or abstractor (must be a TGD participating abstractor).
  - c. Name(s) of titleholder(s) and how they hold title (exactly as the same appears on the deed or other muniment of title as shown in the abstract).
  - d. Mortgage information, which must include the date of the mortgage, the filing date of the mortgage, book/page or instrument/document number, the mortgage amount, the borrower(s) name(s) and marital status as shown on the mortgage (if husband and wife, must so state and must be signed in full by both), and the name of the mortgage lender. If the mortgage was assigned, the information provided also must include the date, filing date, book/page or instrument/document number of the assignment, and the name of the lender taking the assignment.
  - e. Tax status of each installment, i.e. paid, unpaid, delinquent or not yet due. (Amount and parcel number should not appear on Commitment or Certificate.)
  - f. Filing and other information for all recorded instruments, including all mortgages, easements, restrictions, building setbacks, and all other matters to which the property is subject, and judgments against the owner(s), or a statement that there are no such matters.
5. Required information found in a Final Title Opinion:
  - a. Date and time of the last abstract certification. If the attorney is examining Form 901 on a non-purchase transaction, this must be disclosed in the title opinion.
  - b. Name of abstract company or abstractor (must be a TGD participating abstractor).
  - c. Name(s) of titleholder(s) and how they hold title (exactly as the same appears on the deed or other muniment of title as shown in the abstract).
  - d. Mortgage information, which must include the date of the mortgage, the filing date of the mortgage, book/page or instrument/document number, the mortgage amount, the borrower(s) name(s) and marital status as shown on the mortgage (if husband and wife, must so state and must be signed in full by both), and the name of the mortgage lender. If the mortgage was assigned, the information provided also must include the date, filing date, book/page or instrument/document number of the assignment, and the name of the lender taking the assignment.
  - e. Tax status of each installment, i.e. paid, unpaid, delinquent or not yet due. (Amount and parcel number should NOT appear on Commitment or Certificate.)
  - f. Filing and other information for all recorded instruments, including all mortgages, easements, restrictions, building setbacks and all other matters to which the property is subject, and judgments against owner(s) or a statement that there are no such matters.
6. All information required by paragraphs 4 and 5 above and shown on the Model Title Opinions in this Manual, or copies of the filed documents, must be received by the Division

so that all necessary information is available in order to prepare the Commitment, Certificate, and Endorsements (example: filed copy of mortgage showing spouse's signature, filed copy of assignment, etc.).

7. Appraiser's Report or Drawing:

- a. Although Title Guaranty strongly suggests that an Appraisal be obtained on all transactions, it is not required for most residential transactions. If the requested lender coverage is \$500,000 or less and the property covered by the guaranteed mortgage is less than 40 acres, no appraisal is required. However, transactions involving new or recent construction will require an appraisal, real property inspection report, or a survey. If a Location Endorsement is to be issued, the Division requires evidence that there is a house located on the property covered by the guaranteed mortgage. This requirement may be satisfied by current information from the Assessor's Office in the county in which the property is located, or by a current appraisal describing the house.
  - b. If the requested lender coverage exceeds \$500,000.00, a current drawing (often referred to as a Real Property Inspection Report or Mortgage Survey) of the legal description showing dimensions, property lines, all improvements, building setback lines, easements and encroachments must be sent with the application. In most cases, if there is a prior Title Guaranty Certificate on the property, the Division will accept an Affidavit of No New Improvements showing no improvements have occurred on the property or adjacent properties since the last drawing was done.
8. Composite Mortgage Affidavit signed by all owners, buyers and sellers and notarized as to all signatories.
9. Premium Check made payable to "Treasurer State of Iowa" in the proper amount. See Section VI for premium calculations.
10. Other Supporting Documents: If this transaction is a construction loan or if improvements have been made to the premises within the past 90 days before closing, lien waivers (including all subcontractors and materialmen) and a Satisfactory Completion Certificate or other evidence verifying the completion date must be included with all applications. Other relevant documents may include copies of restrictive covenants, assignments not shown on the final title opinion, or documents correcting information shown on the final title opinion.
11. Commercial and Non-routine Residential Transactions have different requirements than stated above. Contact the Division for information.

Commitment Issuance Note: If the lender requires a Commitment, the Division requires a fully completed Division Application and a Preliminary Title Opinion prepared by a participating attorney at the time the Commitment is issued. Fax these documents to the Division at (515) 242-4994. Provide all other required or requested documents to the Division with the Application for Certificate, after closing, when the abstract has been updated and final title opinion completed.

### **Article III. Title Guaranty Documents**

The basic documents of the Iowa Title Guaranty Program are the Commitment for Title Guaranty, Owner Title Guaranty Certificate and the Lender Title Guaranty Certificate.

In addition, there are numerous endorsements that may be used to modify or expand standard coverage provided in the Title Guaranty Certificates. All of the forms are based on the standard policies of the American Land Title Association (ALTA). Use of the ALTA forms enhances the acceptability of the Iowa Title Guaranty documents in the secondary mortgage market.

If using either the Refinance/Junior Mortgage Certificate or the Rapid Certificate program, additional forms are required as stated in the Procedures section.

Each of the Title Guaranty documents has the same basic format and consists of several parts as follows:

- A preprinted jacket that contains the coverage provided, conditions and stipulations and exclusions from coverage;
- A declarations section (Schedule A) that identifies the Guaranteed, indicates the effective date and time of the coverage, the titleholder(s), mortgage information (Lender Certificate only) and describes the property covered;
- An exceptions section (Schedule B) that lists the exceptions to the coverage provided;
- Endorsements that expand or modify coverage.

### Section 3.01      *Overview of Commitment for Title Guaranty*

The Commitment for Title Guaranty provides a proposed guaranteed with written assurance that a Title Guaranty Certificate will be issued at a later date, subject to satisfaction of requirements set forth in the Commitment. The Commitment expires six months from the effective date shown on the Commitment. There is only one form of Commitment. It shows whether an Owner Certificate or Lender Certificate, or both, will be issued.

If a Commitment is requested, the initial step in the issuance of a Title Guaranty Certificate is the issuance of that Commitment. This is done following the examination of a certified abstract of title, prepared by a participating abstractor, and the preparation of a preliminary title opinion by the participating attorney. Model forms of a preliminary title opinion and final title opinion, as approved by the Division Board are set out in this Manual as a part of the Underwriting section. Generally, the preliminary title opinion sets forth the status of the title to the property as it exists prior to the contemplated transaction. For Title Guaranty purposes, the preliminary title opinion shall identify the record title holder, all mortgages, judgments, liens, encumbrances, easements, restrictions, covenants, taxes, and other matters affecting title. All the information necessary for preparation of a Commitment shall be found in the preliminary title opinion, or on copies of the filed documents submitted to the Division, and the Commitment is prepared on that basis. Participating attorneys who are issuing agents for the Division may issue a Commitment as the preliminary attorney title opinion in compliance with Division procedures in effect at the time of issue.

The Commitment reports to the proposed guaranteed the current status of the title and enumerates those matters which must be accomplished or corrected before the Title Guaranty Certificate is issued. The Commitment provides that the Title Guaranty Certificate(s) to be issued will be "...subject to the provisions of Schedule A and B below, the Conditions and Stipulations hereof, and the Exclusions from Coverage and Standard Exceptions contained in the Certificates...." By reference, the Commitment incorporates the Exclusions, as well as the Conditions and Stipulations of the Certificate or Certificates to be issued at a later date.

Schedule A of the Commitment identifies the proposed guaranteed, the titleholder, the effective date, the amount and type of coverage and the legal description of the property.

Schedule B includes all matters which will be special exceptions to the title. Schedule B includes all mortgages, judgments, liens, encumbrances, easements, restrictions, covenants, taxes and other items that affect title. Schedule B of the Commitment also sets forth the "requirements" to be complied with by the proposed guaranteed before a Title Guaranty Certificate will be issued. The Division, issuing attorney, or issuing abstractor will list all actions which must be taken and instruments which must be properly executed, including, but not limited to those which must be filed of record, as a condition precedent to issuance of the Title Guaranty Certificate. These may include a deed or mortgage, appropriate releases, easements, affidavits or other items.

Although issuance of a Commitment may be the first step in the process, the Commitment is not a prerequisite to issuance of a Title Guaranty Certificate. A Title Guaranty Certificate may be issued when the record title is found to be marketable and reflects the ownership or lien rights

contemplated by the owner or mortgagee. Normally, that situation will not arise until a transaction has been completed and all necessary documentation has been duly recorded.

### Section 3.02      *Overview of the Owner Title Guaranty Certificate*

The Owner Certificate provides protection to the owner (buyer) of the property against the following risks:

1. Title to the estate or interest described in Schedule A being vested otherwise than as stated therein.
2. Any defect in or lien or encumbrance on such title.
3. Lack of a right of access to and from the land.
4. Unmarketability of such title.

The Exclusions section of the Owner Certificate excludes from coverage certain items including, but not limited to, the following:

1. The effect of laws, ordinances, or governmental regulations restricting use of the property, or the effect of any violation thereof.
2. Governmental exercise of the right of eminent domain or exercise of police powers.
3. Defects of title, liens, etc.” created, suffered, assumed or agreed to...” by the Guaranteed and not known to the Division.

Owner Schedule A must be completed to provide information identifying the Guaranteed, the effective date of coverage (the “Date of Certificate”), the amount and type of coverage, titleholder(s), and the legal description of the property.

Schedule B sets forth the exceptions to coverage under the Certificate, and consists of two separate parts: “Standard” Exceptions and “Special” Exceptions. The Standard Exceptions are:

1. Rights or claims of parties in possession not shown by the public records.
2. Encroachments, overlaps, boundary line disputes, and any matters which would be disclosed by an accurate survey and inspection of the premises.
3. Easements, or claims of easements, not shown by the public records.
4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Taxes or special assessments which are not shown as existing liens by the public records.

The Special Exceptions part of Schedule B reflects the lien of future taxes payable, all mortgages, judgments, liens, encumbrances, easements, restrictions, covenants, taxes, and other matters affecting the title to the property.

The Conditions and Stipulations of the Owner Certificate are found on the preprinted jacket. Coverage under the Owner Certificate continues so long as the Guaranteed holds an interest in the property or owns an indebtedness secured by the property, or so long as the Guaranteed has liability for covenants of warranty under a deed of the premises. The Division will defend the Guaranteed in the event of a claim; however, the Division is subrogated to the rights of the Guaranteed against other persons who have liability for a claimed loss. This includes the abstractor who prepared the abstract of title and the attorney who examined it.

### Section 3.03      *Overview of Lender Title Guaranty Certificate*

The Lender Certificate includes many of the same provisions as the Owner Certificate. However, the coverage under the Lender Certificate is much broader. In addition to the four items of coverage provided in the Owner Certificate, the Lender Certificate also guarantees against:

1. The invalidity or unenforceability of the lien of the guaranteed mortgage upon said estate or interest except to the extent that such invalidity or unenforceability, or claim thereof, arises out of the transaction evidenced by the guaranteed mortgage and is based upon (a) usury, or (b) any consumer credit protection or truth in lending law.
2. The priority of any lien or encumbrance over the lien of the guaranteed mortgage.
3. Any statutory lien for labor or material which now has gained or hereafter may gain priority over the lien of the guaranteed mortgage, except any such lien arising from an improvement on the land contracted for and commenced subsequent to the Date of the Certificate not financed in whole or in part by proceeds of the indebtedness secured by the guaranteed mortgage which at Date of Certificate the Guaranteed has advanced or is obligated to advance.
4. The invalidity or unenforceability of any assignment, shown on Schedule A, of the guaranteed mortgage, or the failure of said assignment to vest title to the guaranteed mortgage in the named assignee free and clear of all liens.

The Exclusions found in the Lender Certificate are identical to those included in the Owner Certificate with an additional exclusion, as follows:

*Unenforceability of the lien of the guaranteed mortgage because of failure of the Guaranteed at Date of Certificate or of any subsequent owner of the indebtedness to comply with applicable "doing business" laws of the state....*

As in the Commitment and Owner Schedule A, Schedule A of the Lender Certificate must be completed to provide information identifying the Guaranteed, the effective date of coverage (the "Date of Certificate"), the amount and type of coverage, titleholder(s), the legal description of the property, and in addition, must contain required information about the guaranteed mortgage.

Schedule B of the Lender Certificate consists of only one section. The deletion of the Standard Exceptions from the Lender Certificate substantially broadens the scope of coverage. The Special Exceptions part of Schedule B in the Lender Certificate reflects the lien of future taxes payable, all mortgages (except the guaranteed mortgage, which is identified as such on Schedule A and is not an exception to coverage), judgments, liens, encumbrances, easements, restrictions, covenants, taxes, and other matters affecting the title to the property.

The Conditions and Stipulations of the Lender Certificate are found on the preprinted jacket, and contain a broader definition of "Guaranteed", that, in addition to the named "Guaranteed", includes: (i) successors in interest of the underlying indebtedness and (ii) governmental agencies or instrumentalities insuring or guaranteeing the indebtedness, whether named as a Guaranteed or not. In addition, coverage is continued as to a Guaranteed (mortgagee) who acquires title by foreclosure of a mortgage.

### Section 3.04      ***Endorsements***

In addition to the Title Guaranty Certificates, a number of Endorsements are available for modifying (usually expanding) the coverage under a Certificate. The use of each Endorsement requires compliance with underwriting standards, procedures and requirements which are discussed more fully in the Manual section on Underwriting. Each Endorsement form cross-references the Certificate which it amends.



## **Article IV. Procedures for the Completion of Division Forms**

The following pages outline procedures for completion of forms which have been developed for use in issuance of Title Guaranty Certificates. The importance of accuracy in the completion of the forms cannot be overstated. Most transactions will not require use of all forms presented. Should a particular transaction require an additional form not presented here, please contact the Division.

In determining whether a Title Guaranty Certificate should be issued for a particular property and what limitations/conditions it should contain, the Iowa Land Title Standards published by the Iowa State Bar Association, the generally accepted rules of practice for determining the marketability of titles and Division underwriting standards, procedures and requirements shall govern. It is presumed that each participating attorney is familiar with the Title Examination Standards and resources used in examining Iowa titles and Division underwriting standards, procedures and requirements.

A complete and thorough knowledge and understanding of the Title Guaranty Commitment and Certificate coverage, exclusions and exceptions is essential prior to the issuance of the Commitments, Certificates and Endorsements, both to explain the provisions contained therein, as well as to assure proper application of Division underwriting standards, procedures and requirements.

The forms in this Manual are shown for illustrative purposes only, and may vary slightly from the official forms. Always use the official forms available from the Division or on the website.

### Section 4.01      *Preparing Commitment Schedule A*

The Commitment includes a Schedule A in the form shown. Set forth below are instructions for completing all portions of Schedule A, each of which is identified by a letter corresponding to an area or blank shown on the form. These guidelines should be strictly followed in completing Schedule A.

- A. Insert a Commitment Number. The Commitment Number should be the attorney's Title Guaranty number followed by the identifier created by the attorney for use to find the files in the attorney's office. This Commitment Number will also be referenced on Schedule B of the Commitment and will become the File Number on Schedule A of the Title Guaranty Certificate(s) which may be issued.
- B. The Effective Date is the month, day, year and time of day as of which the Abstractor last certified the Abstract of Title.
- C. Insert the proposed amount of Owner Certificate coverage, which must be the same as the purchase price or fair market value of the estate or interest to be guaranteed. If no Owner Certificate is to be issued, enter zero.
- D. Under the words "OWNER CERTIFICATE, Proposed Guaranteed", insert the name of the owner, prospective purchaser or contract vendee whose interest is to be guaranteed. In the case of a contract purchaser, after the name(s) of the Proposed Guaranteed, insert the words: "as contract purchaser(s)". This space MUST have an entry, even if no Owner Certificate will be issued.
- E. Insert the proposed amount of Lender Certificate coverage, which must be the original amount of the mortgage.
- F. Under the words "LENDER CERTIFICATE, Proposed Guaranteed", insert the name and addresses of the proposed mortgagee or assignee whose interest is to be guaranteed.
- G. If the estate or interest in the property covered by the Commitment is a fee simple, insert the words "fee simple." If the interest is otherwise, state specifically the nature of that interest.
- H. Insert the name(s) of the person(s) vested with marketable title to the property as of the effective date of the Commitment, and their type of tenancy, as shown in the preliminary title opinion.
- I. Insert the complete legal description of the property.
- J. Insert issuing attorney or abstractor's name.
- K. Insert the name of the issuing attorney's firm or issuing abstractor's company.
- L. Insert issuing attorney or abstractor's Member Number.
- M. Affix issuing attorney or abstractor's original signature.
- N. Insert issuing attorney or abstractor's mailing address.
- O. Insert issuing attorney or abstractor's city.
- P. Insert issuing attorney or abstractor's state.
- Q. Insert issuing attorney or abstractor's zip code.

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**Title Guaranty Division  
COMMITMENT FORM  
SCHEDULE A**

Commitment No.:        A

Effective Date:    B

1.    1.Certificate or Certificates to be issued:

Proposed Amount of Coverage:

(a)    OWNER CERTIFICATE  
Proposed Guaranteed (name):

D

\$        C

(b)    LENDER CERTIFICATE  
Proposed Guaranteed (name and address):

F

\$        E

2.    The estate or interest in the land described or referred to in this Commitment and covered hereunder is a fee simple (if other, specify same).

G

3.    Title to the estate or interest in said land covered by this Commitment is at the Effective Date hereof vested in:

H

4.    The land referred to in this Commitment is described as follows:

I

\_\_\_\_\_J\_\_\_\_\_  
Name of Attorney or Abstractor

\_\_\_\_\_K\_\_\_\_\_  
Name of Firm or Company

\_\_\_\_\_L\_\_\_\_\_  
Member No.

\_\_\_\_\_M\_\_\_\_\_  
Signature of Attorney or Abstractor

\_\_\_\_\_N\_\_\_\_\_  
Mailing Address

\_\_\_\_\_O\_\_\_\_\_,  
City

\_\_\_\_\_P\_\_\_\_\_  
State

\_\_\_\_\_Q\_\_\_\_\_  
Zip

## Section 4.02      ***Preparing Commitment Schedule B***

The Commitment includes a Schedule B in the form shown. Set forth below are instructions for completing all portions of Schedule B each of which is identified by a letter corresponding to an area or blank shown on the form. These guidelines should be strictly followed in completing Schedule B.

- A. Insert the Commitment Number found on Schedule A of the Commitment form.
- B. Insert the last two digits of the fiscal year following the last fiscal year real estate taxes were paid in full. Include the current status of both installments for the fiscal year indicated.
- C. Itemize, by consecutively lettered paragraphs, all mortgages, assignments of mortgage, contracts, assignments of rent, judgments, building setbacks, restrictions, easements, leases, liens, encumbrances, unpaid real estate taxes or assessments, and all other matters or defects as shown in the abstract, preliminary title opinion or other material available to the attorney to which the property will be subject at the time the Title Guaranty Certificate is issued, including items revealed by a lien search against all titleholders, purchasers and borrowers. These items will be exceptions from coverage.
- D. Itemize, by consecutively lettered paragraphs, all instruments such as deeds, mortgages, contracts, easements, restrictions, leases, encumbrances, affidavits, releases of liens, satisfactions of judgments, or other documents required to be duly executed and filed of record and all other matters to be accomplished, including the payment of real estate taxes and assessments, so that marketable title will be as shown in the Title Guaranty Certificate(s) to be issued and lien priority will be assured.
- E. Itemize, by consecutively lettered paragraphs, all curative material and underwriting requirements for waiver of standard exceptions and/or issuance of Endorsements
- F. After the last lettered requirement insert the words "Note for Information." Following these words you should itemize each of the Endorsements the proposed Guaranteed will receive with the Title Guaranty Certificate.
- G. Insert "End of Schedule B".
- H. Insert issuing attorney or abstractor's Member Number.
- I. Affix issuing attorney or abstractor's original signature.

**Title Guaranty Division**  
**COMMITMENT FORM**  
**SCHEDULE B**  
(Continued from inside cover)

Commitment No.:       A

5. The lien of the taxes for the July 1, 20\_\_B - June 30, 20\_\_B , fiscal year (due and payable in the following fiscal year) and thereafter.
6. Mortgages , restrictions, easements or any other lien or encumbrance on or defect in the title to the property as follows: (List here)

C

7. Instruments in form suitable for guaranty which must be executed, delivered and duly filed for record:

D

E

F

G

\_\_\_\_H\_\_\_\_  
Member No.

\_\_\_\_I\_\_\_\_  
Signature of Attorney or Abstractor

### Section 4.03      *Preparing Owner Schedule A*

The Owner Certificate includes a Schedule A in the form shown on the following page. Set forth below are instructions for completing this form. These instructions relate to the area or blank on the form shown which bears the corresponding letter.

- A. Insert the pre-assigned serial number from the Certificate jacket. The pre-assigned serial number is used on all Schedules and Endorsements to the Owner Certificate.
- B. Insert the File Number from Schedule A of the Commitment form.
- C. Insert the Date of Certificate, which is the earlier of the day, month, year, and time of day as of which the abstract of title was last certified by the Abstractor, or the end of the day on which the deed was recorded.
- D. Insert the amount of coverage, which must be the same as the purchase price or fair market value of the estate or interest being guaranteed.
- E. Insert the name of the Guaranteed, which is the Owner of the property, or the purchaser or vendee under an installment real estate contract. If the Guaranteed is a contract purchaser, insert after the name(s) the words "as contract purchaser(s)."
- F. If the estate or interest in the property covered by the Certificate is a fee simple, insert the words "fee simple." If otherwise, state specifically the nature of that interest. If it is based on a real estate contract insert "the rights of a contract purchaser."
- G. Insert the name(s) and type of tenancy of the person(s) vested with marketable title to the property as of the effective date of the Certificate, and their type of tenancy, as shown in the final title opinion. If the title is anything other than a fee simple, the interest owned should be described in full. For example, if the interest is based on a real estate purchase contract, insert after the name(s) of the title holder(s) the words "as contract purchaser(s)."
- H. Insert the complete legal description of the property.
- I. Insert issuing attorney or abstractor's name.
- J. Insert the name of the issuing attorney's firm or issuing abstractor's company.
- K. Insert issuing attorney or abstractor's Member Number.
- L. Affix issuing attorney or abstractor's original signature.
- M. Insert issuing attorney or abstractor's mailing address.
- N. Insert issuing attorney or abstractor's city
- O. Insert issuing attorney or abstractor's state.
- P. Insert issuing attorney or abstractor's zip code

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**Title Guaranty Division  
OWNER FORM  
SCHEDULE A**

Certificate No.: O-      A

File No.: B

Date of Certificate:      C

Amount of Coverage: \$      D

1. Name of Guaranteed:      E

2. The estate or interest in the land described herein and which is covered by this Certificate is a fee simple (if other, specify same).

F

3. The estate or interest referred to herein is at Date of Certificate vested in:

G

4. The land referred to in this Certificate is described as follows:

H

\_\_\_\_\_  
I  
Typed Name of Attorney or Abstractor

\_\_\_\_\_  
J  
Name of Firm or Company

\_\_\_\_\_  
K  
Member No.

\_\_\_\_\_  
L  
Signature of Attorney or Abstractor

\_\_\_\_\_  
M  
Mailing Address

\_\_\_\_\_  
N  
City

\_\_\_\_\_  
O  
State

\_\_\_\_\_  
P  
Zip

### Section 4.04      *Preparing Owner Schedule B*

The Owner Certificate includes a Schedule B in the form shown. Set forth below are instructions for completing this form. These instructions relate to the area or blank on the form shown which bears the corresponding letter.

- A. Insert the pre-assigned serial number from the Certificate jacket. The pre-assigned serial number is used on all Schedules and Endorsements to the Owner Certificate.
- B. Insert the Commitment Number found on Schedule A of the Commitment form.
- C. Insert the last two digits of the fiscal year following the last fiscal year real estate taxes were paid in full. Include the current status of both installments for the fiscal year indicated.
- D. Itemize by consecutively numbered paragraphs all mortgages, assignments of mortgage, contracts, assignments of rent, judgments, building setbacks, easements, restrictions, leases, liens, encumbrances, unpaid real estate taxes or assessments and all other matters or defects as shown by the abstract, preliminary title opinion, final title opinion or other material available to the attorney to which the property will be subject through the Date of the Certificate , including items revealed by a lien search against all titleholders, purchasers and borrowers. These items **MUST** be excepted from coverage and reported under Schedule B employing the following rules:
  - 1. Restrictions and easements should be set forth by the date, date of filing, book/page or instrument/document number of recording.
  - 2. "Blanket" exceptions for easements, restrictions, etc. of record should not be made, unless specific information is unavailable.
  - 3. All matters of record which have not become void or unenforceable under applicable statutes of limitation and the Iowa Land Title Standards must appear as exceptions in Schedule B by date of filing and book/page or instrument/document number. If the interest to be guaranteed is that of a contract purchaser, the contract of purchase must be listed as an exception in Schedule B.
  - 4. All mortgages on the property should appear as exceptions, showing recording information in detail, including mortgagors' name(s), marital status (if married, must include spouse), amount, complete mortgagee name, date of instrument, date of recording and book/page or instrument/document number.
  - 5. After the last numbered exception should appear the words "Note for Information" followed by a listing of any endorsements that have been issued with the certificate or stating "No Endorsements Attached" or "None."
  - 6. Insert "End of Schedule B" or "see Continuation Sheet", as appropriate.
- E. Insert issuing attorney or abstractor's Member Number.
- F. Affix issuing attorney or abstractor's original signature.



**Title Guaranty Division  
OWNER FORM  
SCHEDULE B**

Certificate No.: A

File No: B

This Certificate does not guarantee against loss or damage by reason of the following exceptions:

**STANDARD EXCEPTIONS**

1. Rights or claims of parties in possession not shown by the public records
2. Encroachments, overlaps, boundary line disputes, and any matters which would be disclosed by an accurate survey and inspections of the premises.
3. Easements, or claims of easements, not shown by the public records.
4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Taxes or special assessments which are not shown as existing liens by the public records.

**SPECIAL EXCEPTIONS**

1. The lien of the taxes for the July 1, 20\_\_C - June 30, 20\_\_C, fiscal year (due and payable in the following fiscal year) and thereafter. C
- 2.

D

\_\_\_\_E\_\_\_\_  
Member No.

\_\_\_\_F\_\_\_\_  
Signature of Attorney or Abstractor

### Section 4.05      *Preparing Lender Schedule A*

The Lender Certificate includes a Schedule A in the form shown on the following page. Set forth below are instructions for completing this form. These instructions relate to the area or blank on the form shown which bears the corresponding letter.

- A. Insert the pre-assigned serial number from the Certificate jacket. The pre-assigned serial number is used on all Schedules and Endorsements to the Lender Certificate.
- B. Insert the File Number from Schedule A of the Commitment form.
- C. Insert the Date of Certificate, which is the earlier of the day, month, year, and time of day as of which the abstract of title was last certified by the Abstractor, or the end of the day on which the mortgage was recorded.
- D. Insert the amount of the mortgage indebtedness. Do not issue a Certificate for less than the full amount of the mortgage. The only exception to this rule is when the real estate covered by the Certificate represents only a part of the security for the loan and the balance of the security is personal property. In these instances, the Certificate should be written in the amount of that portion of the loan applicable to the real estate. The lender shall furnish a statement to the attorney as to such value.
- E. Insert the full name and address of the mortgagee or assignee for whose benefit the Certificate is written.
- F. If the estate or interest in the land covered by the Certificate is a fee simple, insert the words "fee simple." If otherwise, state specifically the nature of that interest. If the estate or interest is based on a real estate purchase contract, insert "the rights of a contract purchaser."
- G. Insert the name(s) of the person(s) vested with marketable title to the property as of the effective date of the Certificate, and their type of tenancy, as shown on the final title opinion. If the title is anything other than a fee simple, the interest owned should be described in full. For example, if the interest is based on a real estate purchase contract, insert after the name(s) of the title holder(s) the words "as contract purchaser(s)."
- H. Insert complete record information of the mortgage, showing recording information in detail, including mortgagors' name(s), marital status (if married, MUST include spouse), amount, complete mortgagee name, date of Instrument, date of recording and book/page or instrument/document number. If the mortgage has been assigned, the same information should be provided with respect to the assignment.
- I. Insert the complete legal description of the property.
- J. Insert issuing attorney or abstractor's name.
- K. Insert the name of the issuing attorney or abstractor's firm.
- L. Insert issuing attorney or abstractor's Member Number.
- M. Affix issuing attorney or abstractor's original signature.
- N. Insert issuing attorney or abstractor's mailing address.
- O. Insert issuing attorney or abstractor's city.
- P. Insert issuing attorney or abstractor's state
- Q. Insert issuing attorney or abstractor's zip code.

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**Title Guaranty Division  
LENDER FORM  
SCHEDULE A**

Certificate No.: L- A

File No.: B

Date of Certificate: C

Amount of Coverage: \$ D

1. Name of Guaranteed: E

2. The estate or interest in the land described in this Schedule and which is encumbered by the guaranteed mortgage is a fee simple (if other, specify same).

F

3. The estate or interest referred to herein is at Date of Certificate vested in:

G

4. The mortgage, herein referred to as the guaranteed mortgage, and the assignments thereof, if any, are described as follows:

H

5. The land referred to in this Certificate is described as follows:

I

\_\_\_\_\_  
Typed Name of Attorney or Abstractor

\_\_\_\_K\_\_\_\_  
Name of Firm or Company

\_\_\_\_L\_\_\_\_  
Member No.

\_\_\_\_M\_\_\_\_  
Signature of Attorney or Abstractor

\_\_\_\_\_N\_\_\_\_\_

Mailing Address

\_\_\_\_O\_\_\_\_,    \_P\_,    \_Q\_  
City                      State                      Zip

### Section 4.06      *Preparing Lender Schedule B*

The Lender Certificate includes a Schedule B in the form shown. Set forth below are instructions for completing this form. These instructions relate to the area or blank on the form shown which bears the corresponding letter.

- A. Insert the serial number from the Certificate jacket. The serial number is used on all Schedules and Endorsements to the Lender Certificate.
- B. Insert the File Number from Schedule A of the Commitment form.
- C. Insert the last two digits of the fiscal year following the last fiscal year real estate taxes were paid in full. Include the current status of both installments for the fiscal year shown.
- D. Itemize by consecutively numbered paragraphs all mortgages, assignments of mortgage, contracts, assignments of rent, judgments, building setbacks, easements, restrictions, leases, liens, encumbrances, unpaid real estate taxes or assessments and all other matters or defects as shown by the abstract, preliminary title opinion, final title opinion or other material available to the attorney to which the property will be subject at the time the Title Guaranty Certificate is issued, including items revealed by a lien search against all titleholders, purchasers and borrowers. These items must be excepted from coverage and reported under Schedule B employing the following rules:
  - 1. Restrictions and easements should be set forth by the date, book/page or instrument/document number of recording.
  - 2. "Blanket" exceptions for easements, restrictions, etc. of record should not be made, unless specific information is unavailable.
  - 3. All matters of record which have not become void or unenforceable under applicable statutes of limitation and the Iowa Land Title Standards must appear as exceptions in Schedule B by date of filing and book/page or instrument/document number. If the interest to be guaranteed is that of a contract purchaser, the contract of purchase must be listed as an exception in Schedule B.
  - 4. The guaranteed mortgage should not appear as an exception.
  - 5. If coverage cannot be extended to include parties in possession, mechanic's liens, or survey matters, the appropriate Standard Exception(s) should be inserted here. Refer to the Underwriting section of this Manual for special considerations when issuing a Lender Certificate.
  - 6. After the last numbered exception should appear the words "Note for Information" followed by a listing of any Endorsements that have been issued with the certificate or stating "No Endorsements Attached" or "None."
  - 7. Mortgages subordinate to the mortgage guaranteed on Schedule A, Item 4 should be set forth by inserting complete mortgagee name, date of instrument, date of recording and book/page or instrument/document number. If there is a subordination agreement, it should be set forth by inserting complete record information of the agreement, showing recording information in detail, including assignor's name, complete assignee name, date of instrument, date of recording and book/page or instrument/document number. This entry should also state that the mortgage is subordinate to the guaranteed mortgage.

8. Any other liens junior or inferior to the mortgage guaranteed on Schedule A, Item 4, including judgment liens, should be set forth by inserting complete record information of the lien, showing all pertinent information, including type of lien, parties, recording or filing information in detail, including where filed, case number, if there is one, date of instrument, date of recording or filing and book/page or instrument/document number. This entry should also state that the lien is junior or inferior to the guaranteed mortgage.
- E. Insert issuing attorney or abstractor's Member Number.
- F. Affix issuing attorney or abstractor's original signature.

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**Title Guaranty Division  
LENDER FORM  
SCHEDULE B**

Certificate No.: A

File No: B

**SPECIAL EXCEPTIONS**

1. The lien of the taxes for the July 1, 20\_\_C - June 30, 20\_\_C , fiscal year (due and payable in the following fiscal year) and thereafter.

C

- 2.

D

\_\_\_\_E\_\_\_\_  
Member No.

\_\_\_\_F\_\_\_\_  
Signature of Attorney

### Section 4.07      *Use of the Composite Mortgage Affidavit*

The Composite Mortgage Affidavit (CMA) provides lenders a convenient and uniform method of documenting underwriting information concerning mechanic's liens, survey matters and possession rights. This information is needed when issuing the Commitment and Certificate(s).

The CMA is intended to provide confirming evidence in routine situations where the lender's loan-making investigation reveals there are no apparent problems in regard to mechanic's liens, survey matters and possession rights. The CMA should not be relied on in commercial transactions or if it appears there may be potential mechanic's liens, boundary disputes or encroachments or if parties in possession may claim unrecorded rights. Further inquiry should be made if there may be problems with these matters.

The Affidavit is to be signed by the owner(s) and if the property is being sold, by the purchaser(s). The notarized original should be forwarded to the Division or the participating attorney who will insert the Commitment or Certificate Number at the upper right-hand corner of the document. The attorney and lender will retain a copy of the Affidavit in their files and forward the original to the Division.

If a Comprehensive Endorsement is to be issued, fill out paragraph 7, showing that there are no restrictive covenants on the property, or if there are, showing the book/page or instrument/document number where they are recorded.

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**TITLE GUARANTY DIVISION  
COMPOSITE MORTGAGE AFFIDAVIT**

STATE OF \_\_\_\_\_ )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

Commitment or Certificate No. \_\_\_\_\_  
Loan No. \_\_\_\_\_

The undersigned, being first duly sworn, hereby state(s) with respect to the land described in the above Commitment or Certificate and the guaranteed mortgage covered thereby:

1. That, to the best of my knowledge, the guaranteed mortgage, note(s), or bond(s) and interest(s) secured is (are) good, valid, and free from all defenses in law and in equity; and that this Affidavit is made for the purpose of better enabling the legal holder(s) of said securities to sell, pledge or otherwise dispose of the same at any time, so as to insure the purchaser(s) or pledgee(s) against any claim or defense by the maker(s), their heirs, personal representatives or assigns.
2. That, to the best of my knowledge, within the last ninety (90) days, no improvements or repairs have been made on the land or upon any building on said land, nor any work performed or materials furnished for which full payment has not been made; that no contract of any kind has been made or will be made in relation to said land, building or improvements, in consequence of which any lien or claim may be enforced against the land; and that loan proceeds will not be used to pay for any labor or materials in making any improvements or repairs on the premises.
3. That no conditional bill of sale, retain title contract or security interest has been given by the undersigned, or to the knowledge of the undersigned, for or in connection with any materials, fixtures, furnishings, appliances or machinery placed upon or installed in said premises.
4. That the undersigned purchaser(s) or owner(s) is(are) in possession of said premises; that no contract has been entered into for the sale or conveyance of said premises by the undersigned or to the knowledge of the undersigned; and that there is outstanding no unrecorded, deed, mortgage or other conveyance thereof executed by the undersigned or to the knowledge of the undersigned. (NOTE: If there are any exceptions, state them here: \_\_\_\_\_.)
5. If the premises consists of rental property, in whole or in part, that said premises are subject only to ordinary current leases to tenants now in possession, none of which expires later than one (1) year from date hereof and none of which contains any option to purchase, right of renewal or other unusual provision. (NOTE: If there are any exceptions, state them here: \_\_\_\_\_.)
6. That the improvements on the subject property are within the boundary lines and set back lines, if any, of said land; that there are no encroachments by improvements on adjoining property onto the land; and that there is no known assertion being made by either the undersigned or the owners of adjoining property against the other as to the location of boundary lines nor any dispute as to occupancy of any portion of subject property.
7. (Fill in this paragraph if a Comprehensive Endorsement is being ordered.)  
\_\_\_\_\_. a. There are no covenants, conditions or restrictions which limit the use of said property.  
\_\_\_\_\_. b. I am familiar with the covenants, conditions or restrictions recorded in Book \_\_\_\_\_, Page \_\_\_\_\_ in the Recorder's Office of \_\_\_\_\_ County, Iowa, and there are no violations of any of the provisions of said covenants, conditions or restrictions.
8. That the undersigned makes the above statements for the purpose of inducing the Title Guaranty Division of the Iowa Finance Authority to issue its Owner or Lender Title Guaranty Certificate/Commitment with respect to the land described therein.

**SELLER(S) OR OWNER(S):**

Individual

\_\_\_\_\_  
\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
\_\_\_\_\_  
(Corporation)

By: \_\_\_\_\_  
\_\_\_\_\_  
(Name and Title)

Attest : \_\_\_\_\_

**PURCHASER(S):**

\_\_\_\_\_  
\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
\_\_\_\_\_  
(Corporation)

By: \_\_\_\_\_  
\_\_\_\_\_  
(Name and Title)

Attest : \_\_\_\_\_

Subscribed and sworn before me, a Notary Public in and for said County and State, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

(Notary Public)

DIVISION FORM : CMA

REVISED:7/05



## Article V. Endorsements

In addition to the Title Guaranty Certificates, a number of Endorsements are available for modifying (usually expanding) the coverage under a Certificate. The use of each Endorsement requires compliance with certain underwriting standards, procedures and requirements which are discussed more fully in the section on Underwriting in this Manual.

Some Endorsements, such as the Variable Rate Mortgage Endorsement, are available for use with the Lender Certificate but may not be issued in connection with the Owner Certificate. Other Endorsements, such as the Standard Exception Waiver Endorsement, are available for use with the Owner Certificate but may not be issued in connection with the Lender Certificate.

Situations may arise in which additional coverage is desired but is not available through one of the standard Endorsements. Special Endorsements may be available, but may not be written without the express consent of the Division. If a Special Endorsement is desired, the issuing attorney or abstractor should contact the Division.

Each Endorsement form cross-references the Title Guaranty Certificate which it amends. Each Endorsement is signed by the participating attorney or abstractor with his or her Member Number, and should be inserted in the Certificate jacket behind Schedules A and B.

Some of the more commonly used Endorsements offered by the Division, along with the description, instructions and an explanation of why a lender or owner of property might wish to purchase the Endorsement, are included in this section.

FORM #	ENDORSEMENT NAME	PAGE NUMBER
420	Standard Exception Waiver Endorsement	V-41
430	Comprehensive Endorsement	V-37
431	Variable Rate Mortgage Endorsement	V-39
450	Encroachment Endorsement	V-41
451	Condominium Endorsement	V-43
452	Location Endorsement	V-45
453	Form E Endorsement	V-47
454	Continuation Sheet	V-49
455	Revolving Credit Mortgage Endorsement	V-51
456	Environmental Protection Lien Endorsement	V-54
463	Manufactured Housing Unit Endorsement	V-56
464	Balloon Mortgage Endorsement	V-58
466	Gap Coverage Endorsement	V-60
478	Endorsement Against Loss-Mortgage Liens	V-64

### Section 5.01      ***Standard Exception Waiver Endorsement***

The Standard Exception Waiver Endorsement is used, when appropriate, to delete some or all of Standard Exceptions 1 through 5 from an Owner Certificate and thereby broaden the coverage extended to approximately the same coverage provided by the Lender Certificate. It is issued only with the Owner Certificate, since Standard Exceptions are usually not part of the Lender Certificate. This Endorsement extends coverage to include loss or damage due to: 1) rights of parties in possession; 2) encroachments and boundary line disputes; 3) easements not of record; 4) unfiled mechanic's lien claims; and 5) taxes or special assessments not shown as liens by the public records.

This Endorsement may be issued only upon inspection of the current survey or real property inspection report showing no encroachments, no matter what the coverage amount or type of property. The examining attorney should consider all of the steps outlined in the Underwriting section of this Manual for the standards, procedures and requirements to be applied in the issuance of the Lender Certificate.

Set forth below are instructions for completing the Endorsement. Each of these instructions is identified by a letter which corresponds to an area or blank on the form.

- A. Insert the pre-assigned Certificate Number from the Certificate jacket.
- B. Insert designation of Standard Exceptions being waived.
- C. Insert the Date of Certificate.
- D. Insert the issuing attorney or abstractor's Member Number.
- E. Affix the issuing attorney or abstractor's original signature.

5/1/06

V-40

**ENDORSEMENT  
TITLE GUARANTY DIVISION**

Certificate No.: O- A

**STANDARD EXCEPTION WAIVER ENDORSEMENT**

Standard Exception(s) \_\_\_\_\_B\_\_\_\_\_ have been deleted.

This Endorsement is made a part of the Certificate and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Certificate and any prior endorsements, nor does it extend the effective date of the Certificate ("Date of Certificate") and any prior endorsements, nor does it increase the face amount thereof.

TITLE GUARANTY DIVISION

BY

DIVISION DIRECTOR

\_\_\_\_\_  
C  
DATE

\_\_\_\_\_  
D  
MEMBER NO.

\_\_\_\_\_  
E  
SIGNATURE OF ATTORNEY

DIVISION FORM 420

FILE NO.:

REVISED: 7/2005

## Section 5.02      *Comprehensive Endorsement*

The Comprehensive Endorsement is issued with Lender Certificates only. As its name implies, this Endorsement form extends coverage to include a much broader range of possible defects than does the standard Lender Certificate.

This Endorsement assures the lender that: 1) there are no covenants, conditions, or restrictions which may cut off its mortgage lien; 2) there are no present violations of any enforceable covenants, conditions or restrictions; 3) there are no encroachments by improvements on the covered property onto adjoining property nor any encroachments by improvements on adjoining property onto the covered property; 4) no loss will be suffered due to future violations of any covenants, conditions or restrictions occurring prior to any acquisition of title by the lender by foreclosure or otherwise; and 5) no loss will be suffered due to damage to existing improvements which encroach onto easements or building setback lines, identified in Schedule B.

The prerequisites to issuance of this Endorsement are a thorough examination of the restrictions, covenants, and conditions in deeds and subdivision plats affecting the property and an investigation to determine the existence of encroachments from, or onto, the covered premises. A determination must be made that restrictions, covenants or conditions are not being violated. An affidavit so stating should be obtained from the sellers and buyers, through the use of paragraph 7 of the Composite Mortgage Affidavit. A recent real property inspection report, drawing, or appraisal may be used to check for encroachments.

Please consult the Underwriting section of this Manual before preparing this Endorsement. The steps outlined in the Underwriting section of this Manual should be carefully followed.

Set forth below are instructions for completing the Endorsement. Each of these instructions is identified by a letter which corresponds to an area or blank on the form.

- A. Insert the pre-assigned Certificate Number from the Certificate jacket.
- B. Insert the Date of Certificate.
- C. Insert the issuing attorney or abstractor's Member Number.
- D. Affix the issuing attorney or abstractor's original signature.

**ENDORSEMENT  
TITLE GUARANTY DIVISION**

Certificate No.: L-A

**COMPREHENSIVE ENDORSEMENT**

The Division hereby guarantees the Guaranteed against actual loss or damage which the Guaranteed shall sustain by reason of any of the following matters:

1. Any inaccuracies in the following assurances:
  - (a) That there are no covenants, conditions or restrictions under which the lien of the mortgage referred to in Schedule A can be divested or subordinated or its validity, priority or enforceability otherwise impaired.
  - (b) That, unless otherwise expressly set forth or indicated to the contrary in Schedule B:
    - (1) There are no present violations on said land of any enforceable covenants, conditions or restrictions or plat building lines;
    - (2) Any instrument referred to in Schedule B as specifically containing "covenants and restrictions" affecting said land does not, in addition, establish an easement thereon or provide for either a lien for liquidated damages, a levy of a private charge or assessment, an option to purchase, or the prior approval of a future purchaser or occupant;
    - (3) There are no encroachments of existing improvements located on said land onto adjoining land, nor any encroachments onto said land of existing improvements located on adjoining land;
    - (4) There are no encroachments of existing improvements located on said land onto that portion of said land subject to any easement shown in Schedule B.
2. Any future violations on said land of any covenants, conditions or restrictions occurring prior to acquisition of title to said land by the Guaranteed, provided such violations result in loss or impairment of the lien of the mortgage referred to in Schedule A, or impair the validity, priority or enforceability of such lien, or result in loss or impairment of the title to said estate or interest if the Guaranteed shall acquire title in satisfaction of the indebtedness secured by such mortgage.
3. The entry of any court order or judgment which constitutes a final determination and denies the right to maintain any existing improvements on said land because of any violation of any covenants, conditions or restrictions or plat building lines or because of any encroachment thereof onto adjoining land.

Wherever in this Endorsement any or all the words "covenants, conditions or restrictions" appear, they shall not be deemed to refer to or to include the terms, covenants, conditions or limitations contained in any lease, in any instrument creating an easement or a declaration of condominium referred to in Schedule A.

This Endorsement is made a part of the Certificate and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Certificate and any prior endorsements, nor does it extend the effective date of the Certificate ("Date of Certificate") and any prior endorsements, nor does it increase the face amount thereof.

TITLE GUARANTY DIVISION

BY

DIVISION DIRECTOR

\_\_\_\_B\_\_\_\_\_  
DATE

\_\_\_\_C\_\_\_\_\_  
MEMBER NO.

\_\_\_\_D\_\_\_\_\_  
SIGNATURE OF ATTORNEY

DIVISION FORM 430  
FILE NO.:

REVISED: 7/2005

### Section 5.03      ***Variable Rate Mortgage Endorsement***

The Variable Rate Mortgage Endorsement may be issued where requested in connection with a Lender Certificate where the guaranteed mortgage includes language providing for changes in the rate of interest. This Endorsement is intended to protect the lender against unenforceability of his mortgage due to changes in the rate of interest which may occur. Note, however, that violations of laws concerning usury, consumer credit protection, or truth in lending are not within the scope of protection under this Endorsement.

Set forth below are instructions for completing the Endorsement. Each of these instructions is identified by a letter which corresponds to an area or blank on the form.

- A. Insert the pre-assigned Certificate Number from the Certificate jacket.
- B. Insert the Date of Certificate.
- C. Insert the issuing attorney or abstractor's Member Number.
- D. Affix the issuing attorney or abstractor's original signature.

**ENDORSEMENT  
TITLE GUARANTY DIVISION**

Certificate No.: L-      A

**VARIABLE RATE MORTGAGE ENDORSEMENT**

The Division hereby guarantees the Guaranteed against actual loss or damage which the Guaranteed shall sustain by reason of:

- (1) The invalidity or unenforceability of the lien of the guaranteed mortgage resulting from the provisions therein which provide for changes in the rate of interest.
- (2) Loss of priority of the lien of the guaranteed mortgage as security for the unpaid principal balance of the loan, together with interest as changed in accordance with the provisions of the guaranteed mortgage, which loss of priority is caused by said changes in the rate of interest.

"Changes in the rate of interest", as used in this Endorsement, shall mean only those changes in the rate of interest calculated pursuant to the formula provided in the guaranteed mortgage at Date of Certificate.

This Endorsement does not guarantee against loss or damage based upon (a) usury, or (b) any consumer credit protection or truth-in-lending law.

This Endorsement is not to be construed as guaranteeing title to said estate or interest as of any later date than the Date of Certificate.

This Endorsement is made a part of the Certificate and is subject to all of the terms and provisions thereof and of any prior endorsements thereto, except that the guaranty afforded by this Endorsement is not subject to paragraph 3 (d) of the Exclusions From Coverage. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Certificate and any prior endorsements, nor does it increase the face amount thereof.

TITLE GUARANTY DIVISION

BY

DIVISION DIRECTOR

\_\_\_\_B\_\_\_\_\_  
DATE

\_\_\_\_C\_\_\_\_\_  
MEMBER NO.

\_\_\_\_D\_\_\_\_\_  
SIGNATURE OF ATTORNEY

DIVISION FORM 431

FILE NO.:

REVISED: 7/2005

#### Section 5.04      ***Encroachment Endorsement***

The Encroachment Endorsement may be used with either the Owner Certificate or Lender Certificate. The Encroachment Endorsement protects the Guaranteed against actual loss or damage by reason of any final judgment denying the right to maintain existing improvements on the covered property which extend beyond the boundaries of that property, or which violate any building setback line or easement mentioned in Schedule B.

This Endorsement may not be issued except upon inspection of a current survey or real property inspection report and upon strict compliance with all applicable standards, procedures and requirements set forth in the discussion of encroachments in the Underwriting section of this Manual.

Set forth below are instructions for completing the Endorsement. Each of these instructions is identified by a letter which corresponds to an area or blank on the form.

- A. Insert the pre-assigned Certificate Number from the Certificate jacket.
- B. Insert the Date of the Certificate.
- C. Insert the issuing attorney or abstractor's Member Number.
- D. Affix the issuing attorney or abstractor's original signature.



**ENDORSEMENT  
TITLE GUARANTY DIVISION**

Certificate No.:        A

**ENCROACHMENT ENDORSEMENT**

The Division hereby guarantees the Guaranteed against actual loss or damage which the Guaranteed shall sustain by reason of any final judgment or decree by a court of competent jurisdiction denying the right to maintain the improvements as now located on the land covered by this Certificate, beyond the boundaries of the property described in Schedule A hereof, or in violation of any building set-back line, or easement mentioned in Schedule B hereof.

The total liability of the Division under said Certificate and under this Endorsement thereto shall not exceed, in the aggregate, the face amount of said Certificate and the costs which the Division is obligated to pay under the Conditions and Stipulations of the Certificate.

This Endorsement is made a part of the Certificate and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Certificate and any prior endorsements, nor does it extend the effective date of the Certificate ("Date of Certificate") and any prior endorsements, nor does it increase the face amount thereof.

TITLE GUARANTY DIVISION

BY

DIVISION DIRECTOR

  B    
DATE

  C    
MEMBER NO.

  D    
SIGNATURE OF ATTORNEY

DIVISION FORM 450

FILE NO.:

REVISED: 7/2005

### Section 5.05      *Condominium Endorsement*

This Condominium Endorsement may be used with either the Owner Certificate or Lender Certificate. As the name implies, the Condominium Endorsement is issued only where the covered property consists of one or more condominium units.

This Endorsement protects against a variety of defects in the creation of the condominium project and other potential problems germane to condominiums, including: 1) failure of the unit and its common elements to be part of a "condominium"; 2) failure of the documents creating the condominium project to comply with applicable law, such that title to the unit and its common elements is affected; 3) present violations of any restrictive covenants contained in the condominium documents; 4) the priority of any lien for condominium charges and assessments over the lien of any guaranteed mortgage; 5) failure of the unit and its common elements to be a separate parcel for real estate tax purposes; 6) any obligation to remove existing improvements because of present encroachments or future unintentional encroachments; and 7) failure of title by reason of a right of first refusal to purchase which was exercised or existed at the Date of Certificate.

This Endorsement may require additional underwriting. Please contact the Division for further instruction.

Set forth below are instructions for completing the Endorsement. Each of these instructions is identified by a letter which corresponds to an area or blank on the form.

- A. Insert the pre-assigned Certificate Number from the Certificate jacket.
- B. Insert the Date of Certificate.
- C. Insert the issuing attorney or abstractor's Member Number.
- D. Affix the issuing attorney or abstractor's original signature.

**ENDORSEMENT  
TITLE GUARANTY DIVISION**

Certificate No.: A

**CONDOMINIUM ENDORSEMENT**

The Division hereby guarantees the Guaranteed against loss or damage by reason of:

- (1) The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the jurisdiction in which the unit and its common elements are located.
- (2) The failure of the documents required by the condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the title to the unit and its common elements.
- (3) Present violations of any restrictive covenants, which restrict the use of the unit and its common elements and which are contained in the condominium documents. The restrictive covenants do not contain any provisions which will cause a forfeiture or reversion of title.
- (4) The priority of any lien for charges and assessments at Date of Certificate provided for in the condominium statutes and condominium documents over the lien of any guaranteed mortgage identified in Schedule A.
- (5) The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
- (6) Any obligation to remove any improvements which exist at Date of Certificate because of any present encroachments or because of any future unintentional encroachment of the common elements upon any unit or of any unit upon the common elements or another unit.
- (7) The failure of title by reason of a right of first refusal to purchase the unit and its common elements which was exercised or could have been exercised at Date of Certificate.

This Endorsement is made a part of the Certificate and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Certificate and any prior endorsements, nor does it extend the effective date of the Certificate ("Date of Certificate") and any prior endorsements, nor does it increase the face amount thereof.

TITLE GUARANTY DIVISION

BY

DIVISION DIRECTOR

\_\_\_\_\_  
DATE

\_\_\_\_\_  
MEMBER NO.

\_\_\_\_\_  
SIGNATURE OF ATTORNEY

DIVISION FORM 451

FILE NO.:

REVISED: 7/2005

### Section 5.06      *Location Endorsement*

The Location Endorsement is issued with a Lender Certificate or Commitment for a Lender Certificate, only if the Lender has requested it. The purpose of this Endorsement is to provide the Lender assurance that the land is platted in a particular fashion, it includes particular improvements, and is known by a certain street address. This form is intended for use where the land consists of residential property in a platted subdivision. It is not suited for use in connection with condominium properties.

The information to be inserted in the paragraph relating to instruction A is obtained from the plat of record as shown in the abstract of title (not from a survey of the property). The information to be inserted in paragraphs relating to instructions B and C may be obtained from the real estate broker or from a property inspection by a reliable person or entity.

Set forth below are instructions for completing the Endorsement. Each of these instructions is identified by a letter which corresponds to an area or blank on the form.

- A. Insert the Certificate Number from the Certificate jacket.
- B. Insert the length of the street frontage of the property, as shown on the plat. If the property fronts on more than one street, insert the frontage on the street used in the address of the property.
- C. Insert the depth of the property from the street as shown on the plat. If the depth varies, insert "varying between \_\_\_\_\_feet and \_\_\_\_\_" (the depth at its shortest and greatest points).
- D. Insert information from the plat by which the property could be located from other established points or streets.
- E. Here describe briefly the nature of the essential improvements, such as "a residence" or "a duplex".
- F. Insert the street number by which the property is known (which should be affixed to the property in some fashion).
- G. Insert the full street address by which the property is known, e.g., "123 Elm Street, Urbandale, Iowa 50322."
- H. Insert the Date of Certificate.
- I. Insert the issuing attorney or abstractor's Member Number.
- J. Affix the issuing attorney or abstractor's original signature.

**ENDORSEMENT  
TITLE GUARANTY DIVISION**Certificate No.: A**LOCATION ENDORSEMENT**

The Division hereby guarantees the Guaranteed against loss or damage which the Guaranteed shall sustain by reason of any inaccuracies in the following assurances:

- (a) That according to the plat of the subdivision, said land has a street frontage of \_\_\_\_\_ B \_\_\_\_\_ feet, and  
a depth of \_\_\_\_\_ C \_\_\_\_\_ feet, and  
is located \_\_\_\_\_ D \_\_\_\_\_  
\_\_\_\_\_
- (b) There is located on said land \_\_\_\_\_ E \_\_\_\_\_  
\_\_\_\_\_
- (c) That the building on said land has No. \_\_\_\_\_ F \_\_\_\_\_  
\_\_\_\_\_ thereon, the same is known as \_\_\_\_\_ G \_\_\_\_\_  
\_\_\_\_\_

This Endorsement is made a part of the Certificate and is subject to all of the terms and provisions thereof and of any prior endorsement thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Certificate and any prior endorsements, nor does it extend the effective date of the Certificate ("Date of Certificate") and any prior endorsements, nor does it increase the face amount thereof.

TITLE GUARANTY DIVISION

BY

DIVISION DIRECTOR

H  
DATEI  
MEMBER NO.J  
SIGNATURE OF ATTORNEY

DIVISION FORM 452

FILE NO.:

REVISED: 7/2005

### Section 5.07      *Form E Endorsement*

This Endorsement can be used to amend any part of either a Commitment or Certificate, and it is often used to correct minor errors such as typographical errors in coverage amounts, names, dates and book/page or instrument/document numbers. Other examples range from relatively minor things such as the failure to show the Certificate Number to more serious matters such as the failure to show the mortgage on Schedule B of an Owner's Certificate.

The Form E Endorsement is the only vehicle available to amend the Commitment, the Certificate, Schedules A and B or prior Endorsements.

Set forth below are instructions for completing the Endorsement. Each of these instructions is identified by a letter which corresponds to an area or blank on the form.

- A. Insert the Certificate Number from the Certificate jacket, and/or Commitment Number from the Commitment.
- B. Insert the name of the Guaranteed.
- C. Insert the amount of coverage provided by the Certificate.
- D. Insert the Date of Certificate of the document which is being amended.
- E. Insert the specific reference to the item which is being amended (i.e. Schedule A, Paragraph 4).
- F. Insert the appropriate amending information.
- G. Insert the reason for the amendment (i.e. to correct legal description or identity of Guaranteed, etc.)
- H. Insert the Date of Certificate.
- I. Insert the issuing attorney or abstractor's Member Number.
- J. Affix the issuing attorney or abstractor's original signature.

Attorney or Abstractor prepared Certificates may be edited by the Division for errors or omissions. The Division will ask the attorney or abstractor to prepare Form E Endorsements to make any corrections needed. The original Form E must be provided to the Guaranteed with a copy provided to the Division.

12/14/04

V-52

**ENDORSEMENT  
TITLE GUARANTY DIVISION**

Certificate No.: A

**FORM E ENDORSEMENT**

Issued to: B  
\_\_\_\_\_

Amount of Coverage: C \_\_\_\_\_

Date of Certificate: D at \_\_\_\_\_

E F is hereby amended as follows :

**Reason for the Amendment:** G

This Endorsement is made a part of the Certificate and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Certificate and any prior endorsements, nor does it extend the effective date of the Certificate ("Date of Certificate") and any prior endorsements, nor does it increase the face amount thereof.

TITLE GUARANTY DIVISION

BY

DIVISION DIRECTOR

H  
DATE

I  
MEMBER NO.

J  
SIGNATURE OF ATTORNEY

DIVISION FORM 453

FILE NO.:

REVISED: 7/2005

### Section 5.08      *Continuation Sheet*

The Title Guaranty Continuation Sheet may be used as the only means to supplement Schedule A or Schedule B of the Commitment, Owner Certificate or Lender Certificate, or any Endorsement.

Set forth below are instructions for completing the Continuation Sheet. Each of these instructions is identified by a letter which corresponds to an area or blank on the form.

- A. Insert the pre-assigned Certificate Number from the Certificate jacket or if a Commitment or any Schedule or Endorsement thereto is being amended, insert the Commitment number from Schedule A of the Commitment.
- B. Insert Owner or Lender Schedule A or B or the name of the Endorsement to indicate which Schedule or Endorsement is being continued.
- C. Insert the particular information which is incorporated into the referenced Schedule or Endorsement through this Continuation Sheet.
- D. Insert "End of Schedule\_\_\_\_\_" or "End of \_\_\_\_\_ Endorsement." (Insert the appropriate information to designate the type of Owner or Lender Schedule or identify the Endorsement.)
- E. Insert the Date of the Commitment or Certificate being issued.
- F. Insert the issuing attorney or abstractor's Member Number.
- G. Affix the issuing attorney or abstractor's original signature.



12/14/04

V-54

**CONTINUATION SHEET  
TITLE GUARANTY DIVISION**

Certificate/Commitment No.:      A

**Continuation of**      B

C

D

This Endorsement is made a part of the Certificate and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Certificate and any prior endorsements, nor does it extend the effective date of the Certificate ("Date of Certificate") and any prior endorsements, nor does it increase the face amount thereof.

TITLE GUARANTY DIVISION

BY

DIVISION DIRECTOR

\_\_\_\_\_  
E  
DATE

\_\_\_\_\_  
F  
MEMBER NO.

\_\_\_\_\_  
G  
SIGNATURE OF ATTORNEY

DIVISION FORM 454

FILE NO.:

REVISED: 7/2005

### Section 5.09      ***Revolving Credit Mortgage Endorsement***

The Revolving Credit Mortgage Endorsement may be issued with a Lender Certificate when the guaranteed mortgage secures a revolving credit loan, sometimes referred to as a "line of credit" loan. Such loans are unique in that the unpaid principal balance may fluctuate up or down within a stated limit as loan advances are made or repayments applied. A common example is the "home equity line of credit" loan which has become popular since the Tax Reform Act of 1986 limited the deductibility of interest on other consumer loans.

This Endorsement is intended to protect the lender against losses of the priority of its lien as to each and every advance made, up to the amount of the mortgage. However, coverage does not extend to advances made (1) after the Guaranteed has actual knowledge of a sale or transfer of any interest in the property; (2) while a default exists under the mortgage; or (3) after the date specified in a notice of termination given by the Guaranteed to the Borrower pursuant to their credit agreement.

This Endorsement also includes language of the Variable Rate Mortgage Endorsement which protects the lender against unenforceability due to changes in the rate of interest.

The only underwriting prerequisite to issuance of this Endorsement is to make certain the mortgage, as recorded, includes the statutory notice prescribed in Section 654.12A, Iowa Code, concerning the priority of advances.

Set forth below are instructions for completing the Endorsement. Each of these instructions is identified by a letter which corresponds to an area or blank on the form.

- A. Insert the pre-assigned Certificate Number from the Certificate jacket.
- B. Insert the Date of Certificate.
- C. Insert the issuing attorney or abstractor's Member Number.
- D. Affix the issuing attorney or abstractor's original signature.

**ENDORSEMENT  
TITLE GUARANTY DIVISION**

Certificate No.:L-           A

**REVOLVING CREDIT MORTGAGE ENDORSEMENT**

The Division hereby guarantees the owner of the indebtedness secured by the guaranteed mortgage, or deed of trust, referred to in paragraph 4 of Schedule A (hereinafter referred to as "the guaranteed mortgage") against loss or damage which:

- (1) The invalidity or unenforceability of the lien of the guaranteed mortgage resulting from the provisions therein which provide for changes in the rate of interest.
- (2) Loss of priority of the lien of the guaranteed mortgage as security for the unpaid principal balance of the loan, together with interest as changed in accordance with the provisions of the guaranteed mortgage, which loss of priority is caused by changes in the rate of interest, as provided in the guaranteed mortgage.
- (3) Loss of priority of the lien of the guaranteed mortgage as to each and every advance which the Guaranteed makes pursuant to the provisions of the guaranteed mortgage or the underlying agreement (the "Agreement") upon which advances have been made; provided, however, that no coverage is given by this paragraph 3 as to any advance made after the Guaranteed has actual knowledge of any sale or transfer of all or any portion of the estate or interest encumbered by the guaranteed mortgage, and provided further that no coverage is given by this paragraph 3 as to any advance made during any period in which an event of default exists under the terms of the guaranteed mortgage or as to any advance made more than ten (10) days after notice of exercise of the call option provided for in the Agreement has been given or as to any advance made after the specified date in a notice of cancellation given by the Guaranteed pursuant to the Agreement, with respect to any sale, transfer, lien, encumbrance or other matter of which the Guaranteed has actual knowledge on the date of such advance.

The Division further assures the Guaranteed that the advances described above shall not constitute "additional principal indebtedness", as referred to in paragraph 8 (b) of the Conditions and Stipulations of the Certificate for the purpose of limiting liability under the provisions of that paragraph.

The Division shall guarantee the amount of all advances outstanding and unpaid at any given time (up to the face amount of the Certificate) notwithstanding the fact that prior advances may have been made and previously repaid in whole or in part.

For the purposes of this Endorsement, and notwithstanding any terms or provisions in the Certificate to the contrary, the following terms shall be defined as follows:

"Advances", as used in this Endorsement, shall mean extensions of credit under and pursuant to the terms and provisions of the Agreement. An extension of credit shall occur on the date on which (i) a check is drawn on the account established by the Agreement (represented by the date appearing on the check); or (ii) the Guaranteed, pursuant to its contractual obligations under the Agreement, authorizes a charge for the benefit of an individual authorized to incur charges under/on the credit card issued to such an individual to the account established by the Agreement; or (iii) a credit card charge is actually made; or (iv) an advance is otherwise made pursuant to the Agreement.

"Changes in the rate of interest", as used in this Endorsement, shall mean only those changes in the rate of interest calculated pursuant to the formula provided in the guaranteed mortgage at Date of Certificate.

**ENDORSEMENT  
TITLE GUARANTY DIVISION**

Certificate No.: L-        A

**REVOLVING CREDIT MORTGAGE ENDORSEMENT (cont.)**

This Endorsement does not guarantee the Guaranteed against loss or damage based upon:

- (a) Usury;
- (b) Any consumer credit protection or truth-in-lending law;
- (c) Federal tax liens; or
- (d) Bankruptcies appearing in the public records affecting the estate of the vestee prior to the date of such advances.

This Endorsement is made a part of the Certificate and is subject to all of the terms and provisions thereof and of any prior endorsements thereto, except that the guaranty afforded by this Endorsement is not subject to paragraph 3 (d) of the Exclusions From Coverage. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Certificate and any prior endorsements, nor does it extend the date of the Certificate, ("Date of Certificate") and any prior endorsements, nor does it increase the face amount thereof.

TITLE GUARANTY DIVISION

BY

DIVISION DIRECTOR

\_\_\_\_B\_\_\_\_\_  
DATE

\_\_\_\_C\_\_\_\_\_  
MEMBER NO.

\_\_\_\_D\_\_\_\_\_  
SIGNATURE OF ATTORNEY

DIVISION FORM 455

FILE NO.:

REVISED: 7/2005

Section 5.10      ***Environmental Protection Lien  
Endorsement***

The Environmental Protection Lien Endorsement is used only with Lender Certificates and only where the mortgage covers land used primarily for residential purposes. This Endorsement protects the lender and its assignees against loss suffered because of the lack of priority of its lien over a federal or state environmental protection lien which, as of the Date of Certificate, is recorded either in the county recorder's office or with the clerk of the United States district court for the district in which the land is located, unless the lien is set forth in Schedule B of the Certificate.

The Environmental Protection Lien Endorsement does not give protection against the possibility that an environmental protection lien might be filed sometime in the future.

Set forth below are instructions for completing the Endorsement. Each of these instructions is identified by a letter which corresponds to an area or blank on the form.

- A. Insert the Certificate Number from the Certificate jacket.
- B. Insert the Date of Certificate.
- C. Insert the issuing attorney or abstractor's Member Number.
- D. Affix the issuing attorney or abstractor's original signature.

**ENDORSEMENT  
TITLE GUARANTY DIVISION**

Certificate No.: L- A

**ENVIRONMENTAL PROTECTION LIEN ENDORSEMENT**

The coverage afforded by this Endorsement is only effective if the land is used or is to be used primarily for residential purposes. The Division guarantees the Guaranteed against loss or damage sustained by reason of lack of priority of the lien of the guaranteed mortgage over:

- (a) any environmental protection lien which, at Date of Certificate, is recorded in those records established under state statutes at Date of Certificate for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge, or filed in the records of the clerk of the United States district court for the district in which the land is located, except as set forth in Schedule B; or
- (b) any environmental protection lien provided for by any state statute in effect at Date of Certificate, except environmental protection liens provided for by the following state statutes: NONE

This Endorsement is made a part of the Certificate and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Certificate and any prior endorsements, nor does it extend the effective date of the Certificate ("Date of Certificate") and any prior endorsements, nor does it increase the face amount thereof.

TITLE GUARANTY DIVISION

BY

DIVISION DIRECTOR

  B    
DATE

  C    
MEMBER NO.

  D    
SIGNATURE OF ATTORNEY

DIVISION FORM 456

FILE NO.:

REVISED: 7/2005

### Section 5.11      ***Manufactured Housing Unit Endorsement***

The prerequisites to issuance of this Endorsement are:

1. Verification that the mobile home or manufactured home has been placed on a permanent foundation within the subject premises. Said verification may be provided by appraisal, inspection, survey or affidavit with pictures; and,
2. Verification that the mobile home or manufactured home has been converted to real property and entered upon the tax rolls.

The Endorsement guarantees the owner or lender that the Certificate includes the manufactured housing unit located on the land at the Date of the Certificate.

Set forth below are instructions for completing the Endorsement. Each of these instructions is identified by a letter which corresponds to an area or blank on the form.

- A. Insert the Certificate Number from the Certificate jacket.
- B. Insert the Date of Certificate.
- C. Insert the issuing attorney or abstractor's Member Number.
- D. Affix the issuing attorney or abstractor's original signature.

12/14/04

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**ENDORSEMENT  
TITLE GUARANTY DIVISION**

Certificate No.: L- A

**MANUFACTURED HOUSING UNIT ENDORSEMENT**

The term "land" as defined in this Certificate includes the manufactured housing unit located on the land at Date of Certificate.

This Endorsement is made a part of the Certificate and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Certificate and any prior endorsements, nor does it extend the effective date of the Certificate ("Date of Certificate") and any prior endorsements, nor does it increase the face amount thereof.

TITLE GUARANTY DIVISION

BY

DIVISION DIRECTOR

\_\_B\_\_\_\_\_  
DATE

\_\_C\_\_\_\_\_  
MEMBER NO.

\_\_\_\_D\_\_\_\_\_  
SIGNATURE OF ATTORNEY

DIVISION FORM 463

FILE NO.:

REVISED: 7/2005



### Section 5.12      ***Balloon Mortgage Endorsement***

This Endorsement may only be issued with a Lender Certificate. The participating attorney may issue this Endorsement if the covered mortgage has attached to it either:

1. Fannie Mae's Form 3180, the Multi-State Balloon Rider with Conditional Right to Refinance, OR
2. Freddie Mac's Form 3191, the Multi-State Balloon Rider with Conditional Right to Refinance.

Set forth below are instructions for completing the Endorsement. Each of these instructions is identified by a letter which corresponds to an area or blank on the form.

- A. Insert the Certificate Number from the Certificate jacket.
- B. Insert the Date of Certificate.
- C. Insert the issuing attorney or abstractor's Member Number.
- D. Affix the issuing attorney or abstractor's original signature.

**ENDORSEMENT  
TITLE GUARANTY DIVISION**

Certificate No.: L- A

**BALLOON MORTGAGE ENDORSEMENT**

The Division hereby guarantees the Guaranteed against actual loss or damage which the Guaranteed shall sustain by reason of:

1. The invalidity or unenforceability of the lien of the guaranteed mortgage resulting from the provisions therein which provide for a Conditional Right to Refinance and a change in the rate of interest as set forth in the Mortgage Rider.
2. Loss of priority of the lien of the guaranteed mortgage as security for the unpaid principal balance of the loan, together with interest thereon, which loss of priority is caused by the exercise of the Conditional Right to Refinance and the extension of the loan term to the New Maturity Date set forth on the Rider and a change in the rate of interest, provided that all the conditions set forth in Paragraphs 2 and 5 of the Rider have been met, further provided that no coverage is given by this paragraph with respect to any lien, encumbrance or other matter the existence of which is actually known to the Guaranteed prior to the exercise of the Conditional Right to Refinance.

This Endorsement does not guarantee against loss or damage based upon (a) usury or (b) any consumer credit protection or truth-in-lending law or (c) environmental protection liens or (d) federal tax liens or (e) bankruptcy.

This Endorsement is made a part of the Certificate and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Certificate and any prior endorsements, nor does it extend the effective date of the Certificate ("Date of Certificate") and any prior endorsements, nor does it increase the face amount thereof.

TITLE GUARANTY DIVISION

BY

DIVISION DIRECTOR

  B    
DATE

  C    
MEMBER NO.

  D    
SIGNATURE OF ATTORNEY

DIVISION FORM 464

FILE NO.:

REVISED: 7/2005

### Section 5.13      *Gap Coverage Endorsement*

Procedure for Title Guaranty with Gap Coverage :

1. The abstract is updated by a participating abstractor and the preliminary title opinion is issued by a participating attorney.
2. A Commitment is issued, including a Gap Coverage Endorsement, either by the participating attorney, processing abstractor or the Division staff. If no Commitment is to be issued, the lender or owner (or their agent) signs a Gap Coverage Agreement with the Division.
3. The participating abstractor does a last minute search on the day of the closing, and faxes or delivers a properly executed Pre-Closing Search Certification to the closer, showing any new matters on file which affect the property, or that there are none.
4. If no new matters are on file the loan is closed and funds disbursed. If any new matters are shown on the Pre-Closing Search Certification, the closer may proceed with the closing only after consulting the participating attorney who gave the preliminary opinion and upon such terms and conditions as the attorney may require based on the relevant law, rules, and title standards.
5. After the closing the mortgage and any other appropriate documents are filed as soon as possible, but no later than the tenth day that documents can be filed in the county recorder's office.
6. The abstract is updated and the final title opinion is issued. The participating abstractor is to notify the Division immediately upon discovering that additional material affecting the property has been filed before the filing of the mortgage.
7. The Title Guaranty Certificate(s) is(are) issued in the normal fashion, by the participating attorney, processing abstractor or the Division staff. A copy of the completed Pre-Closing Search Certification is sent to the Division with the final documents.

Set forth below are instructions for completing the Endorsement. Each of these instructions is identified by a letter which corresponds to an area or blank on the form.

- A. Insert the Commitment Number from the Commitment jacket.
- B. Insert the Date of Commitment.
- C. Insert the issuing attorney or abstractor's Member Number.
- D. Affix the issuing attorney or abstractor's original signature.

**ENDORSEMENT  
TITLE GUARANTY DIVISION**

Commitment No.:     A

**GAP COVERAGE ENDORSEMENT**

The coverage afforded by this Endorsement is only effective if the land is used or is to be used primarily for residential purposes. Notwithstanding anything to the contrary contained herein, the Division agrees that upon receipt of a properly executed Pre-Closing Search Certification, coverage hereunder and the effective date hereof shall be extended up to and including the recording of the mortgage of the proposed Guaranteed, identified in Schedule A hereof, provided that the mortgage is recorded no later than the tenth day, following the date of the Pre-Closing Search Certification, that mortgages can be recorded in the county recorder's office. If the property, described in Schedule A hereof, or any interest in it is being transferred, the deed by which it is transferred must also be recorded at or before the time of the recording of the mortgage.

This Endorsement is made a part of the Commitment and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Commitment and any prior endorsements, nor does it extend the effective date of the Commitment ("Date of Commitment") and any prior endorsements, nor does it increase face amount thereof.

TITLE GUARANTY DIVISION

BY

DIVISION DIRECTOR

\_\_\_\_\_  
B  
DATE

\_\_\_\_\_  
C  
MEMBER NO.

\_\_\_\_\_  
D  
SIGNATURE OF ATTORNEY

DIVISION FORM 466

FILE NO.:

REVISED: 7/2005

**PRE-CLOSING SEARCH CERTIFICATION  
TITLE GUARANTY DIVISION**

COMMITMENT NO.:

LOAN CLOSER:

PROPOSED GUARANTEED(S):

ABSTRACTOR:

ABST. OR PENCIL NOTES NO.:

PROPERTY ADDRESS:

BRIEF LEGAL:

NAME(S) OF SELLER(S):

NAME(S) OF BUYER(S) TO BE SEARCHED:

DATE AND TIME OF PRIOR CONTINUATION:

EFFECTIVE DATE AND TIME OF THIS CERTIFICATION:

(To be completed by abstractor)

The undersigned, acting in its capacity as a Participating Abstractor for the Title Guaranty Division of the Iowa Finance Authority, certifies that the appropriate records have been searched and that no matters affecting the title to the property described above have been filed between the effective date and time of the preliminary title opinion and the date and time shown above, except for the following: (To be completed by abstractor)

---

PARTICIPATING ABSTRACTOR

BY

TITLE GUARANTY MEMBER #

DIVISION FORM: PCS

FILE NO.:

REVISED: 7/2005

## GAP COVERAGE AGREEMENT TITLE GUARANTY DIVISION

This Agreement is entered into by the Title Guaranty Division of the Iowa Finance Authority (the Division) and the proposed Guaranteed lender or owner, or an agent for one or both, so that Gap coverage may be obtained without the need of buying a commitment. The coverage afforded by this Agreement is only effective if the land is used or is to be used primarily for residential purposes. The ordering of a Pre-Closing Search Certification constitutes an agreement to purchase an Owner or Lender Title Guaranty Certificate, or both, under the normal terms offered by the Division.

It is agreed that the issuing of a Pre-Closing Search Certification (by a participating abstractor) gives the Guaranteed(s) the same coverage that they would have if a Title Guaranty Commitment, based on a title opinion issued by a participating attorney, had been issued. When said Certification is issued, the effective date of coverage is thereby extended from the date and time of the last update of the abstract as shown in the title opinion prepared by a participating attorney which was based on an abstract prepared by a participating abstractor, to the date and time of the filing of the new mortgage and/or deed, if the mortgage and/or deed is filed as set out below.

Any new deed or mortgage must be filed as soon as possible, but no later than the tenth day that documents may be filed in the county recorder's office following the effective date shown on the certification.\*

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

TITLE GUARANTY DIVISION  
OF THE IOWA FINANCE AUTHORITY

\_\_\_\_\_  
NAME OF GUARANTEED (PLEASE PRINT)

\_\_\_\_\_  
ADDRESS OF GUARANTEED (PLEASE PRINT)

(\_\_\_\_)\_\_\_\_\_  
TELEPHONE NUMBER

BY \_\_\_\_\_  
DIVISION DIRECTOR

BY \_\_\_\_\_  
(LENDER, OWNER OR AGENT)

\_\_\_\_\_  
(PRINT NAME OF LENDER,  
OWNER OR AGENT)

\*(For example, if the Pre-Closing Search Certification has an effective date of a Wednesday, the mortgage and/or deed must be filed by the close of business on a Wednesday exactly 14 days from the search effective date, assuming no holidays.)

DIVISION FORM: GAP

REVISED: 7/2005

### Section 5.14      ***Endorsement against Loss-Mortgage Liens***

This Endorsement can only be issued with “attorney or abstractor issued Certificates” by attorneys and abstractors in compliance with the rules set out in the Procedures and Requirements for a Rapid Certificate section of this Manual. It can be issued with either a Lender or Owner Certificate, or both.

The Endorsement protects the Guaranteed against actual loss or damage sustained by the Guaranteed by reason of the enforcement of the lien excepted at No. \_\_\_\_\_ of Schedule B so as to secure full or partial satisfaction thereof out of the land described in Schedule A as a lien encumbering or having priority over the mortgage or estate guaranteed by this Certificate, as well as costs, attorneys’ fees, and expenses in defense against such encumbrance as provided in the Conditions and Stipulations of this Certificate.

Set forth below are instructions for completing the Endorsement. Each of these instructions is identified by a letter which corresponds to an area or blank on the form.

- A. Insert the Certificate Number.
- B. Insert the paragraph number of Schedule B stating the exception for the unreleased mortgage.
- C. Insert the Date of Certificate.
- D. Insert the issuing attorney or abstractor's Member Number.
- E. Affix the issuing attorney or abstractor’s original signature.

**ENDORSEMENT  
TITLE GUARANTY DIVISION**

Certificate No.:        A

**ENDORSEMENT AGAINST LOSS – MORTGAGE LIENS**

The Division hereby guarantees the Guaranteed against actual loss or damage sustained by the Guaranteed by reason of the enforcement of the lien(s) excepted at No(s). B of Schedule B so as to secure full or partial satisfaction thereof out of the land described in Schedule A as a lien encumbering or having priority over the mortgage or estate guaranteed by this Certificate, as well as costs, attorneys' fees, and expenses in defense against such encumbrance(s) as provided in the Conditions and Stipulations of this Certificate.

This Endorsement is made a part of the Certificate and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Certificate and any prior endorsements, nor does it extend the effective date of the Certificate ("Date of Certificate") and any prior endorsements, nor does it increase the face amount thereof.

TITLE GUARANTY DIVISION

BY

DIVISION DIRECTOR

C  
DATE

D  
MEMBER NO.

E  
SIGNATURE OF ATTORNEY

DIVISION FORM 478

FILE NO.:

REVISED: 7/2005



## **Article VI. Rates**

Charges for Title Guaranty Certificates are computed in accordance with Board approved rates. The basic rates are minimum charges applicable to routine residential transactions and cover only the cost of the risk for title coverage. In situations involving extraordinary risk, commercial transactions, unique or multiple Endorsements, or if special services are rendered, the Division reserves the right to make additional charges. These additional charges are added to and become a part of the guaranty fee.

The cost of services or other products provided by the participant or other party in connection with the real estate transaction are not included in the basic rates. No participant in the Title Guaranty Program shall charge or receive any portion of the fee for the Certificates or the fee for any other product of service offered by the Division. The following rates apply to Division, Attorney, or Abstractor issued Commitments, Certificates, and Endorsements.

Section 6.01      ***Basic Rates - Residential***

**Residential Premium Rates – Effective 1-1-2006**

<b>Coverage Amount</b>	<b>Cost</b>
Basic rate for coverage amounts \$0.01 - \$500,000	\$110 (minimum premium)
Basic rate for coverage amounts over \$500,000 and up to \$1,000,000	\$110 plus \$1 per \$1,000 over \$500,000 (round all amounts up to the nearest \$1,000)
Basic rate for lender and owner coverage amounts purchased concurrently when all amounts are \$500,000 or less	<u>Larger certificate:</u> \$110  <u>Additional certificate(s):</u> \$25 each
Basic rate for lender and owner coverage amounts purchased concurrently when amounts are over \$500,000 up to \$1,000,000 (Coverage over \$500,000 requires a Commitment pre-approved by the Division)	<u>Larger certificate:</u> \$110 plus \$1 per \$1,000 over \$500,000 (round all amounts up to the nearest \$1,000)  <u>Additional certificate(s):</u> \$25 each
Basic rate for coverage amounts greater than \$1,000,000 (Coverage over \$500,000 requires a Commitment pre-approved by the Division)	Call Title Guaranty for quote (800) 843-0201
Non-purchase Transactions – <b>effective 3/1/06</b>	\$90
Commitments	No Charge
Duplicate Certificates	\$15.00 each

**Residential Endorsements**

Comprehensive	No Charge
Environmental Protection Lien	No Charge
Location	No Charge
Loss Mortgage Liens	No Charge
Variable Rate Mortgage	No Charge
Balloon Mortgage	\$15.00
Condominium	\$15.00
Encroachment	\$15.00
Gap Coverage	\$15.00
Manufactured Housing Unit	\$15.00
Planned Unit Development	\$15.00
Revolving Credit Mortgage	\$15.00
Standard Exception Waiver	\$15.00

**Owner Certificates**

An Owner Certificate will not be issued for less than the sale price of the property and in no event for less than the full value of the real property.

**Lender Certificates**

A Lender Certificate usually cannot be issued for an amount less than the full mortgage amount. There is an exception: When the real property covered in the Certificate represents only a part of the security for the loan and the balance of the security is personal property, the Certificate shall be written in the amount of the loan applicable to the real property. The lender shall furnish a statement to the attorney or Division as to such values.

Section 6.02      ***Basic Rates – Non-Residential***

**Non-Residential Premium Rates – Effective 1-1-2006**

<b>Coverage Amount</b>	<b>Cost</b>
Basic rate for coverage amounts \$0.01 - \$110,000	\$110 (minimum premium)
Basic rate for coverage amounts \$110,000.01 - \$500,000	\$1 per \$1,000 (round all amounts up to the nearest \$1,000)
Basic rate for coverage amounts greater than \$500,000 (Coverage over \$500,000 requires a Commitment pre-approved by the Division)	Call Title Guaranty for quote (800) 843-0201
Basic rate for coverage when both owner and lender certificates are purchased concurrently	<u>Larger certificate:</u> \$1 per \$1,000 up to \$500,000 or quoted amount (\$110 minimum; round all amounts up to the nearest \$1,000)  <u>Additional certificate(s):</u> \$35 each
Commitments	No Charge
Duplicate Certificates	\$15 each
Endorsements for coverage of \$500,000 or less	\$30 per endorsement

## Section 6.03      *Premiums for transactions closed prior to January 1, 2006*

### PLEASE REMEMBER:

To help you avoid the most common errors in calculating Title Guaranty premiums, please remember that:

- The minimum premium on lines 1, 6, 12 and 17 is always \$35.00.
- Round all lender and owner coverage amounts UP to the nearest \$1,000 when calculating premium.
- The Reissue Rate Premiums on lines 12 and 17 are each rounded UP to the nearest \$1.
- Lender coverage is based upon the amount of the covered mortgage.
- Owner coverage is based upon either: (a) the purchase price of the property if a new purchase, or (b) the appraised value of the property if a refinance.
- The "Larger Certificate" in lines 6 and 17 refers to the certificate which provides the greater amount of coverage (usually the Owner Certificate).
- Endorsements may be ordered at any time, even after the certificate has been issued, by remitting the proper amount and designating the endorsement(s) to be added.
- The Total Premium on lines 5, 11, 16 and 22 will ALWAYS be in whole dollar amounts with .00 cents.
- All checks must be made payable to "Treasurer—State of Iowa."

#### Step-By-Step Chart for Calculating Basic Rate Premiums

##### Lender/Owner Certificate Only

1. Lender/Owner Premium	\$ _____
2. Endorsements @ \$15.00	\$ _____
3. Commitment @ \$20.00 (if applicable)	\$ _____
4. Discount to borrower for attorney prepared certificate @ -\$20.00 (if applicable)	\$ _____
5. Total Premium	\$ _____

##### Lender & Owner Certificates

6. Larger Certificate	\$ _____
7. Second Certificate	\$ <u>15.00</u>
8. Endorsements @ \$15.00	\$ _____
9. Commitment @ \$20.00 (if applicable)	\$ _____
10. Discount to borrower for attorney prepared certificates @ -\$20.00 (if applicable)	\$ _____
11. Total Premium	\$ _____

(Please make copies for future calculations.)

#### Step-By-Step Chart for Calculating Reissue Rate Premiums

##### Lender/Owner Certificate Only

12. Lender/Owner Premium	\$ _____
13. Endorsements @ \$8.00	\$ _____
14. Commitment @ \$20.00 (if applicable)	\$ _____
15. Discount to borrower for attorney prepared certificate @ -\$20.00 (if applicable)	\$ _____
16. Total Premium	\$ _____

##### Lender & Owner Certificates

17. Larger Certificate	\$ _____
18. Second Certificate	\$ <u>8.00</u>
19. Endorsements @ \$8.00	\$ _____
20. Commitment @ \$20.00 (if applicable)	\$ _____
21. Discount to borrower for attorney prepared certificates @ -\$20.00 (if applicable)	\$ _____
22. Total Premium	\$ _____

Please make copies for future calculations.)



### TITLE GUARANTY PREMIUM RATES

Iowa Finance Authority  
Title Guaranty  
200 E. Grand Ave., Suite 350  
Des Moines, IA 50309

Phone (515)242-4989  
Toll Free (800)843-0201  
TTY (515)242-4890  
FAX (515)242-4994

**BASIC RATE  
PREMIUMS**

Type	Cost
Basic rate for coverage amounts \$1 - \$35,000	\$35.00 (minimum premium)
Basic rate for coverage amounts \$35,001 - \$250,000	\$1 per \$1,000 (round all amounts UP to the nearest \$1,000)
Basic rate for coverage amounts greater than \$250,000	Call Title Guaranty for exact quote (800)843-0201
Basic rate for coverages of any amount when both owner and lender certificates are purchased concurrently	<u>Larger certificate:</u> \$1 per \$1,000 (\$35 minimum; round all amounts UP to the nearest \$1,000)  Second certificate: \$15 flat fee
Commitment rate (effective 5-1-93)	\$20
Discount to borrower for attorney prepared certificates	\$20

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**BASIC RATE  
ENDORSEMENTS**

Number	Cost
#410 Date Down***	No Charge
#420 Standard Exception Waiver**	\$15.00
#430 Comprehensive*	\$15.00
#431 Variable Rate Mortgage*	\$15.00
#450 Encroachment***	\$15.00
#451 Condominium*	\$15.00
#452 Location***	\$15.00
#453 Form E***	No Charge
#454 Continuation Sheet***	No Charge
#455 Revolving Credit Mortgage*	\$15.00
#456 Environmental Protection Lien*	No Charge
#457 Zoning Form 3***	\$15.00
#458 Planned Unit Development*	\$15.00
#459 Zoning Form 3.1***	\$15.00
#460 Restrictions – Form 1***	\$15.00
#461 Restrictions – Form 2*	\$15.00
#462 Restrictions – Form 3***	\$15.00
#463 Manufactured Housing Unit***	\$15.00
#464 Balloon Mortgage*	\$15.00
#466 Gap Coverage***	\$30.00

\* Can be issued with the Lender's Certificate only.

\*\* Can be issued with the Owner's Certificate only.

\*\*\* Can be issued with the Lender's or the Owner's Certificate.

**REISSUE RATE  
PREMIUMS**

Type	Cost
Reissue rate for coverage amounts \$1 - \$70,000	\$35.00 (minimum premium)
Reissue rate for coverage amounts \$70,001 - \$250,000	\$.50 per \$1,000 (round all premiums UP to the nearest \$1)
Reissue rate for coverage amounts greater than \$250,000	Call Title Guaranty for exact quote (800)843-0201
Reissue rate for coverages of any amount when both owner and lender certificates are purchased concurrently	<u>Larger certificate:</u> \$.50 per \$1,000 (\$35 minimum; round all premiums UP to the nearest \$1)  Second certificate: \$8 flat fee
Commitment rate (effective 5-1-93)	\$20
Discount to borrower for attorney prepared certificates	\$20

Reissue: A reissue is needed when the property is already covered by a previous Title Guaranty Certificate. The lender on the reissued certificate does not need to be the same as the lender on the previous certificate.

**REISSUE RATE  
ENDORSEMENTS**

Number	Cost
#410 Date Down***	No Charge
#420 Standard Exception Waiver**	\$8.00
#430 Comprehensive*	\$8.00
#431 Variable Rate Mortgage*	\$8.00
#450 Encroachment***	\$8.00
#451 Condominium*	\$8.00
#452 Location***	\$8.00
#453 Form E***	No Charge
#454 Continuation Sheet***	No Charge
#455 Revolving Credit Mortgage*	\$8.00
#456 Environmental Protection Lien*	No Charge
#457 Zoning Form 3***	\$8.00
#458 Planned Unit Development*	\$8.00
#459 Zoning Form 3.1***	\$8.00
#460 Restrictions – Form 1***	\$8.00
#461 Restrictions – Form 2*	\$8.00
#462 Restrictions – Form 3***	\$8.00
#463 Manufactured Housing Unit ***	\$8.00
#464 Balloon Mortgage*	\$8.00
#466 Gap Coverage***	\$30.00

\* Can be issued with the Lender's Certificate or

\*\* Can be issued with the Owner's Certificate or

\*\*\* Can be issued with the Lender's or the Owner's Certificate.

Section 6.04      ***Division Review of Premium Computation***

The Division will review the premium computation of each Certificate for accuracy. If a significant error appears in the premium computation, a refund check will be issued or additional funds will be requested.

## **Article VII. Underwriting**

When waiving Standard Exceptions on Lender Certificates, when endorsements expanding or modifying coverage under the Title Guaranty Certificate are to be issued, or in large or unusual transactions, problems may arise which require that the attorney look outside the four corners of the abstract to determine if a Title Guaranty Certificate should be issued. The purpose of this portion of the Manual is to provide guidance to the attorney in those situations.

In general, the Division will rely upon the attorney's examination of the abstract and his or her compliance with the underwriting standards, procedures and requirements set forth in this Manual or otherwise promulgated by the Division for assurance that the risks covered by its Title Guaranty Certificates have been properly underwritten. However, the Division reserves the right, at any time, to make special inquiry to assure that all underwriting standards, procedures and requirements are followed and/or to conduct its own examination of the abstract of title, where such action is deemed prudent by the Division due to the size of the risk undertaken, the circumstances of the particular transaction, or other factors of concern to the Division or its re-insurer. Participating attorneys must contact the Division before issuing a Commitment in cases where large or unusual transactions are involved.



## Section 7.01      *Access*

A. Paragraph 3 of the guaranteeing provisions of both the Owner Certificate and Lender Certificate protects against loss or damage sustained or incurred by reason of "[l]ack of right of access to and from the land...." Accordingly, the examining attorney must ascertain that the property to be covered has access.

1. In most situations, it will be clear that no access problem exists. For example, a lot in a certain block in a certain subdivision will almost invariably be adjacent to a platted street. However, situations may arise where a part of a tract of land is sold from a larger tract and the smaller portion does not adjoin a highway or street, and is not served by a private easement of access. The abstractor is expected to show in the abstract all matters affecting access which are in the public records. In situations where the attorney's examination reveals that the property is land-locked, the following exception should be raised in Schedule B of the Commitment:

*Attention is directed to the fact that the public records do not show any means of ingress or egress to or from the land, and, by reason thereof, this Commitment and our Guaranty, if and when issued, should not be construed as guaranteeing against any loss or damage by reason of lack of access to and from the land.*

2. On the final Title Guaranty Certificate issued, if the access question has not been resolved to the examining attorney's satisfaction, the relevant Schedule B exception is as follows:

*Notwithstanding the guaranteeing clauses of this Guaranty, the Division does not guarantee against any loss or damage by reason of lack of access to and from the land.*

B. An easement may be created by grant, deed, reservation, agreement, or even by a mortgage. Examine the chain of title to determine:

1. Title was or is vested in the grantor whose conveyance or agreement created or will create the easement;
2. The instrument contains all elements required for a valid conveyance including signature by the grantor and an acknowledgment;
3. The instrument contains a waiver of homestead, dower or curtesy rights along with the signature of the grantor's spouse;
4. The instrument states that the easement is for ingress and egress purposes;
5. The instrument contains a legal description of the easement and a legal description of the estate to be benefited;
6. Title in the grantees is held exactly the way the grantees hold title to the estate to be benefited, for example, as joint tenants or as tenants in common;

7. Mortgagee, lien holders, and any other parties with an interest in the servient estate consent to or join in the instrument creating the easement; and

8. The instrument is or will be recorded.

C. Easements may be created by other means, such as by implication, promissory estoppel, and prescription. Typically, the Division does not rely on these methods for providing access coverage.

D. If the abstract or other evidence reveals that one of the following events (termination) has occurred since the creation of the easement, the easement cannot be guaranteed until a new instrument is properly executed, delivered and recorded to re-establish the easement:

1. All holders of an interest may terminate by agreement. However, do not disregard an agreement to terminate an easement because of a defect in the instrument. An easement should not be guaranteed if there is an attempt to terminate the easement even if invalid. Also, be sure an alternate access easement or adjoining road dedication is created to replace the original access easement.

2. The doctrine of merger holds that if the ownership of the servient estate becomes vested in the ownership of the dominate estate, the easement will merge into the fee simple of the servient estate. If the servient estate is burdened by a lien created prior to the creation of the easement, the foreclosure of the lien will terminate the easement. Remember, before guaranteeing an access easement, all senior lienor(s) must join in or consent to the creation of the easement.

### Section 7.02      ***Lender Certificate - Special Considerations***

The Lender Certificate extends coverage to include parties in possession, mechanic's liens and matters of survey. Before issuing a Lender Certificate, the examining attorney must be satisfied that appropriate inquiries have been made regarding possession, potential mechanic's liens and encroachments.

The issuing attorney or abstractor may require that the lender provide underwriting information concerning recent improvements which could give rise to the mechanic's liens, whether there are boundary disputes or apparent encroachments, and whether parties in possession may claim rights not of record.

For Lender Certificates issued on 1-4 unit dwellings, the lender can provide this information by obtaining an executed Composite Mortgage Affidavit (CMA). The CMA is intended to provide confirming evidence in cases where problems are not apparent to the lender.

If the property covered is not a 1-4 unit dwelling, or if there is an indication of problems so that coverage cannot be extended to include mechanic's liens, possession or encroachments, the lender should not accept or rely on the CMA, but should contact the issuing attorney, abstractor, or the Division for assistance. If the problems cannot be resolved, one or more of the following Standard Exceptions MUST be added to the Lender Certificate:

1. *Rights or claims of parties in possession not shown by the public records.*
2. *Encroachments, overlaps, boundary line disputes, and any matters which would be disclosed by an accurate survey and inspection of the premises.*
3. *Easements, or claims of easements, not shown by the public records.*
4. *Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.*
5. *Taxes or special assessments which are not shown as existing liens by the public records.*

### Section 7.03      ***Mechanic's Liens***

If there has been new construction or recent improvements have been made, the participating attorney or abstractor should not issue the Lender Certificate until lien waivers from the general contractor, all subcontractors and all materialmen have been furnished and an affidavit of the owner (including any seller) regarding the same has been obtained. Otherwise, the following Standard Exception #4 must be raised in Schedule B of the Lender Certificate:

*Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.*

#### Section 7.04      *Matters of Survey*

The Division encourages the use of real property inspection reports showing the location of improvements relative to property lines, easements and building setback lines in connection with the issuance of Lender Certificates, since the Guaranteed will be protected against loss due to encroachments or violations of building restrictions, etc. unless excepted.

Although Title Guaranty strongly suggests that an Appraisal be obtained on all transactions, it is not required for most residential transactions. If the requested lender coverage is \$500,000 or less and the property covered by the guaranteed mortgage is less than 40 acres, no appraisal is required. However, transactions involving new or recent construction will require an appraisal, real property inspection report, or a survey. If a Location Endorsement is to be issued, the Division requires evidence that there is a house located on the property covered by the guaranteed mortgage. This requirement may be satisfied by current information from the Assessor's Office in the county in which the property is located, or by a current appraisal describing the house.

If the requested lender coverage exceeds \$500,000.00, a current drawing (often referred to as a Real Property Inspection Report or Mortgage Survey) of the legal description showing dimensions, property lines, all improvements, building setback lines, easements and encroachments must be sent with the application. In most cases, if there is a prior Title Guaranty Certificate on the property, the Division will accept an Affidavit of No New Improvements showing no improvements have occurred on the property or adjacent properties since the last drawing was done.

If significant doubts as to the existence of encroachments cannot be resolved, a formal survey should be ordered. The survey should be conducted by a registered land surveyor and should show the boundaries of the property in question and the location of all improvements and permanent monuments thereon, as well as the location of any adjoining streets, alleys or public ways, and any easements or set-back lines involved. Any encroachments, overlaps or violations of building restrictions disclosed by the survey must be set out as exceptions in the Commitment and Certificate, unless the Division has stated that they are waived or may be guaranteed over.

The survey should be recent (generally six months from the closing date). However, an old survey may be used for a reissue/refinance transaction if it otherwise conforms to the above requirements and is accompanied by an affidavit stating that no changes in the improvements have been made since the date of the survey.

### Section 7.05      *Installment Purchase Contracts*

When title to real estate is transferred by a contract for deed, the equitable title passes to the purchaser (vendee) while legal title remains in the seller (vendor). If that has occurred, the Division will guarantee only the interest of the contract purchaser under an Owner Certificate. It is not appropriate to prepare an Owner Certificate covering both the contract seller (or assignee) and contract purchaser, as their interest may appear, or to issue a Lender Certificate to the contract seller.

The following guidelines should be used in the preparation of contract purchaser's Commitment and Certificate:

1. In the Proposed Guaranteed or Guaranteed portion of Schedule A of the Commitment or Certificate, after the name of the Proposed Guaranteed or Guaranteed the following should be added: "as contract purchaser."
2. In Item 2 of Schedule A of the Certificate the words "is a fee simple" should be deleted and the following should be inserted: "are the rights of a contract purchaser."
3. Do not issue a contract purchaser's Certificate in the names of the contract seller and contract purchaser "as their interest may appear". Only the contract purchaser should be the named Guaranteed.
4. All contracts for deed or recorded memoranda thereof must be set out as exceptions in Schedule B of the Certificate. The following language is suggested: "Terms and conditions of that contract for Deed dated\_\_\_\_\_, by and between X as contract seller, and Y, as contract purchaser, which contract (or memorandum thereof) is recorded in Book \_\_\_\_\_, Page \_\_\_\_\_, (or Instrument No.) in the Office of the Recorder of \_\_\_\_\_ County, Iowa".
5. An unrecorded purchase contract may not be the subject of a Certificate.

After the closing on the contract to purchase and completion of required abstracting and title opinion, the contract purchaser is given an Owner Certificate. Do not issue a Commitment and leave that Commitment open until completion of the contract. Upon completion of the contract, a new Owner Certificate may be desired.

If a mortgagee requests a Lender Certificate with respect to property the mortgagor is purchasing on contract, you should contact the Division. DO NOT attempt to write such coverage without Division approval and direction.

### Section 7.06      ***Guaranteeing a Fractional Interest***

If a participating Attorney or Abstractor is requested to issue a Title Guaranty Certificate guaranteeing title in one or more, but not all, owners of a parcel of real estate, or to guarantee a mortgage made by less than all owners, he or she **MUST** raise the following exceptions on Schedule B of the Commitment and Certificate:

1. *Rights of co-tenants to partition, contribution and possession.*
2. *The right of the United States government to sell the entire property to enforce a tax lien against any co-tenant of the land.*
3. *The right of a creditor, trustee or debtor in possession to sell the entire property in the event of a bankruptcy of any co-tenant of the land.*

### Section 7.07      ***Encroachment Endorsement Practice***

The Owner Certificate includes an exception for "[e]ncroachments, overlaps, boundary line disputes, and any matters which would be disclosed by an accurate survey and inspection of the premises." (Schedule B, Standard Exception 2). Thus, the Owner Certificate does not, unless altered, guarantee against matters of survey. In some cases the Division is asked to delete this exception, which may be accomplished based on a recent written survey, real property inspection report or other documentation of the circumstances.

#### **(a) No Encroachments**

When the abstract, a recent survey, an executed Composite Mortgage Affidavit (CMA) and any other investigation disclose no problems, waive the survey exception, if requested to do so, by using the Standard Exception Waiver Endorsement form stating that the exception (Standard Exception No. 2) is waived.

If the survey discloses a lot line encroachment, a problem is raised. Even if the survey exception is waived, the Guaranteed is not protected against loss or damage suffered by reason of any of his improvements which may encroach onto an adjoining property. Paragraph 1(d) of the Conditions and Stipulations provides that the Division does not guarantee any title or rights of the Guaranteed beyond the boundaries of the property described.

For this reason, attorneys representing buyers may request that the Division "guarantee over" the encroachment by providing an affirmative encroachment endorsement guaranteeing against loss or damage which the Guaranteed may suffer by reason of the known encroachment, as shown on Schedule B. Such coverage will only be provided in strict accordance with the procedure set forth in this paragraph.

The treatment of encroachments from the guaranteed property is substantially different from that of encroachments onto the property, as is discussed below.

See Section 7.08 for Proper Endorsement Procedure.

#### **(b) Encroachments onto Guaranteed Premises from Adjoining Property**

If a survey discloses that the improvements located upon adjoining property encroach onto the guaranteed premises, there is no alternative but to raise an exception for the encroachment. There is nothing to "guarantee over", since the encroachment is already in existence and the prospective purchaser must make an election whether to take the property "as is" or force the seller to require the neighbor to remove the encroachment.

Please note that in no case may a Certificate be issued guaranteeing over an encroachment onto the insured premises by improvement located upon adjoining property.

See Section 7.08 for Proper Endorsement Procedure.



**(c) Encroachments from Guaranteed Premises onto Adjoining Property**

A survey may disclose improvements located on the guaranteed premises encroach onto adjoining property. As stated above, the Title Guaranty Certificate does not guarantee the owner's right to maintain such improvements. Therefore, issuing attorneys and abstractors may be asked to provide Encroachment Endorsements which will guarantee the owner's right to maintain the improvements as presently located. Such coverage may be provided only in compliance with this procedure.

For Lender Certificates, issuing attorneys and abstractors are hereby delegated authority to guarantee over, in conformance with this procedure, encroachments onto adjoining premises by a fence, driveway, shed without foundation, overhanging eaves, concrete stoops or porches without foundations if the encroachment in question is one foot or less onto the adjoining premises. Any encroachment by such improvements greater than one foot onto adjoining premises may not be guaranteed over without prior authorization from the Division.

For Owner Certificates, the Division will ordinarily not authorize coverage over such encroachments onto adjoining premises. In no event may an issuing attorney or abstractor guarantee over such an encroachment without prior authorization from the Division.

For both Owner and Lender Certificates, issuing attorneys and abstractors **MUST** receive prior authorization from the Division to guarantee over any encroachment onto adjoining premises by permanent improvements. When the survey discloses that the house, garage or other permanent improvements encroach onto adjoining premises, the attorney or abstractor should contact the Division for prior authorization before committing the Division to guarantee over such encroachments.

See Section 7.08 for Proper Endorsement Procedure.

**(d) Building Line Violation**

A survey may disclose improvements located on the guaranteed premises violate a building setback line. Several factors enter into the underwriting determination as to whether or not such a violation will be covered by an Encroachment Endorsement. Among those factors are the following:

1. Whether the encroachment was intentional in its inception;
2. The size of the encroachment;
3. The length of time the encroachment has been in existence;
4. Whether any other encroachments in the neighborhood exist; and
5. Any other special considerations.

For purposes of issuing both Owner and Lender Certificates on residential (single family homes and owner-occupied apartments of up to four units) property, issuing attorneys and abstractors are hereby delegated authority to "guarantee over" encroachments by improvements on building setback lines if the encroachment is less than 20% of the amount of the required setback, and the encroachment has been in existence for at least five years. If both of these conditions are not met, no Encroachment Endorsement may be issued without prior authorization from the Division.

For nonresidential property, the same considerations will apply as delineated above, except that no Certificate may be issued which contains an Encroachment Endorsement guaranteeing over a violation of a setback line on commercial property without written authorization from the Division. In the case of commercial property, the balancing of any hardships between the Guaranteed and his neighbors will undoubtedly be heavily weighed against the Guaranteed rather than in favor of him.

See Section 7.08 for Proper Endorsement Procedure.

**(e) Encroachments onto Easements**

For Lender Certificates only, issuing attorneys and abstractors are hereby delegated authority to guarantee over, in conformance with this procedure, encroachments by permanent improvements (house or garage) onto standard public utility easements when that encroachment is one foot or less. In the event the encroachment onto the easement is over one foot, prior authorization from the Division must be obtained.

For Lender Certificates, issuing attorneys and abstractors may guarantee over encroachments onto standard public utility easements by non-permanent improvements such as fences, driveways, sheds without foundations, overhanging eaves, concrete stoops or porches without foundations, without prior authorization from the Division.

For Owner Certificates, no encroachment by permanent or non-permanent improvements onto a standard public utility easement may be guaranteed over without prior authorization obtained from the Division.

See Section 7.08 for Proper Endorsement Procedure.

### Section 7.08      *Proper Endorsement Procedure*

Issuing attorneys and abstractors may issue Encroachment Endorsements only as stated herein and only in the following manner:

1. Raise the encroachment as an exception in Schedule B of the Commitment or Certificate. Set forth the nature of the encroachment and size thereof, e.g., "A survey discloses that the Northwest corner of the garage located upon the guaranteed premise encroaches upon the Northeast corner of the adjoining lot by .50 feet".
2. Make sure that you have obtained prior Division Authorization for the issuance of the Encroachment Endorsement, if required.
3. Attach to the Certificate a copy of the Division's current Encroachment Endorsement. Be sure that all the blanks on the endorsement form are properly filled in and that the form itself is properly signed by an authorized signatory.
4. Note the issuance of the Endorsement under "Note for Information" on Schedule B.

## Section 7.09

*Summary of Rules for Encroachment Endorsements*

TYPE OF ENCROACHMENT	OWNER CERTIFICATE		LENDER CERTIFICATE	
	Attorney Decision	Division Approval	Attorney Decision	Division Approval
<b>1. Encroachment onto premises</b>	No	No	No	No
<b>2. Encroachment from premises</b> A. Fence, Driveway, shed w/o foundation, overhanging eaves, concrete stoop, porch w/o foundation 1) one foot or less 2) over one foot B. Permanent improvements any encroachment amount	No No No	Yes Yes Yes	Yes No No	N/A Yes Yes
<b>3. Building Line Violations</b> A. Residential properties, including owner occupied apartments up to 4 units 1) encroachment less than 20% of setback and existed 5 years 2) encroachment more than 20% of setback or existed less than 5 years B. Commercial Property C. Non-residential, non-commercial property 1) Encroachment less than 20% of setback and existed 5 years 2) Encroachment more than 20% of setback or existed less than 5 years	Yes No No Yes No	N/A Yes Yes N/A Yes	Yes No No Yes No	N/A Yes Yes N/A Yes
<b>4. Encroachments onto standard public utility easements</b> A. By permanent improvements (house or garage) 1) one foot or less 2) over one foot B. By non-permanent improvements, e.g., fence, driveway, shed w/o foundation overhanging eaves, concrete stoop, or porch w/o foundation (any size encroachment)	No No No	Yes Yes Yes	Yes No Yes	N/A Yes N/A

### Section 7.10      *Checklist for Issuance of a Certificate*

1. The abstract is updated and certified by a participating abstractor. For non-purchase transactions, See Section VIII.
2. The abstract is examined in accordance with the Iowa Title Standards, where applicable, with particular attention to indications concerning access.
3. The preliminary title opinion is issued. When a participating attorney issues the Commitment, a written preliminary title opinion is not required.
4. The file, including communications with the lender, is reviewed to determine whether:
  - a. A survey is advisable or has been requested.
  - b. There has been recent construction work.
  - c. There is any need to inquire about rights of third parties in possession.
  - d. Particular Endorsements should be purchased.
5. The Commitment is prepared in conformance with Division underwriting standards, procedures and requirements, and with proper notation of requirements concerning:
  - a. A real property inspection report, drawing or statement from appraiser
  - b. Mechanic's lien waivers or affidavits;
  - c. Further investigation or documentation of rights of parties in possession; and
  - d. Access questions.
6. The Commitment form is distributed as follows:
  - a. The original Commitment Schedules A and B, plus a Commitment jacket are sent to the owner or lender requesting coverage.
  - b. Copies of Commitment Schedules A and B are sent to the Title Guaranty Division.
  - c. Executed copies of Commitment Schedules A and B are placed in the client file.
7. Proper instruments affecting title (including deeds, mortgages, releases, contracts, leases, easements, affidavits and corrective documents) needed to satisfy the "requirements" set forth in the Commitment (if any) or preliminary title opinion are recorded.
8. The abstract is again continued and certified by the Participating Abstractor.
9. The re-certified abstract is examined.
10. The final title opinion is issued. When a participating attorney issues the Certificate(s), a written final title opinion is not required.
11. The Owner and/or Lender Certificates are prepared, in conformance with Division underwriting standards, procedures and requirements and executed, with particular

attention to the following:

- a. The pre-assigned serial number from the Certificate jacket is inserted on Schedules A and B following the pre-printed prefix "O-" or "L-".
  - b. Exceptions from the Commitment form not corrected will be shown as Special Exceptions in Schedule B, unless covered by Endorsements.
12. All necessary Endorsements are prepared and executed. Insert the number from Commitment or Certificate Schedule A on the Endorsement.
  13. The originals of Certificate Schedules A and B and the originals of the Endorsements are inserted in the appropriate Lender or Owner jacket and mailed to the Owner or Lender, as appropriate.
  14. Copies of Certificate Schedules A and B, and copies of the Endorsements are sent to the Division along with a check payable to the "Treasurer, State of Iowa" from the lender, closer or attorney for the amount of the premium.

**Article VIII.    Nonpurchase Product Pursuant to  
265 IAC 9.6 (4)**

A Title Guaranty Report of Title (Division Form 900) and Title Guaranty Report of Title – Post Closing Search (Division Form 901) may be utilized instead of full abstracting when a “nonpurchase product” is being covered by Title Guaranty. Pursuant to 265 IAC 9.3(16), the definition of a “nonpurchase product” is a refinanced or junior residential mortgage securing an indebtedness of not more than \$500,000.00.

### Section 8.01 *Procedure for Using the Title Guaranty Report of Title*

The applicant may request Division Forms 900 and 901 from a participating abstractor if the proposed mortgage is a **refinance or second mortgage securing \$500,000** or less for a **residential** (1-6 living units) property. Easements, conditions and other restrictions or reservations of record need not be searched; therefore, the applicant must be sure that the lender is willing to accept a lender certificate generally excepting these items. The search should be ordered as close to the closing as possible. A participating abstractor preparing the title search for a nonpurchase product that will obtain a Lender Title Guaranty Commitment and/or Certificate may utilize in lieu of full abstracting the Title Guaranty Forms 900 and 901, by following the instructions provided by the Division for said forms. When Division Form 900 is completed, it must be examined by a participating attorney who will prepare a preliminary title opinion and/or commitment for closing. After closing, the participating abstractor will update his search with Division Form 901 and deliver it to the participating attorney who will prepare a final title opinion and/or lender certificate.

**The participating attorney must disclose in his/her title opinion whether a full abstract of title or the Division Forms 900 and 901 are the basis for his/her title opinion examination.**

Title Guaranty Lender Certificates for nonpurchase loans based on Division Forms 900 and 901 may be issued by the Division, a participating attorney or other Division authorized issuer who will raise the following general exceptions in Schedule B of the commitment and/or certificate:

- The lien of the taxes for the July 1, - June 30, fiscal year (due and payable in the following fiscal year) and thereafter. None yet due and payable
- Ordinances and regulations for the City of \_\_\_\_\_ and County of \_\_\_\_\_, Iowa.
- Plat(s) filed in the County, Iowa, Recorder's Office, including all easements, building setbacks, restrictions, reservations and notations.
- Covenants, restrictions, easements and all other matters of record. In addition, all exceptions regarding title and the requirements to clear those exceptions must be raised in Schedule B.

The applicant for Title Guaranty will provide the Division the information and documents required for the issuance of the Lender Certificate as set forth under Article II of this Manual. All Title Guaranty programs such as gap endorsement and rapid certificate are



available when the Title Guaranty Report of Title is used for the issuance of the lender certificate.

**The participating attorney will retain copies of completed Division Forms 900 and 901 in his/her title file for a period of ten years after the effective date of the certificate for the Division's review, pursuant to "Title Guaranty Division," Iowa Administrative Code Chapter 9.6(2)(g). Likewise, pursuant to "Title Guaranty Division," Iowa Administrative Code Chapter 9.6(4)(b), the participating abstractor shall retain a written or electronic copy of each Division Form 900 and 901 prepared for a title guaranty certificate which shall be available to the Division upon request.**

## Section 8.02 *Instructions for Preparation of Title Guaranty Report of Title*

Upon receipt of a nonpurchase order for Title Guaranty, the participating abstractor should confirm that the property is being assessed for residential taxes. If the property is not residential, the applicant should be informed that Forms 900 and 901 are not acceptable for Title Guaranty, and that the abstract of title must be found and delivered to the abstractor for continuation. A participating abstractor must utilize the Title Guaranty Division Forms 900 and 901 which contain the following:

A. A complete legal description, correct address (street name and city or town) for said legal description, and county. Abbreviated descriptions are not acceptable.

B. Property search commencing with the execution date of a deed for full value or at least two years prior to the certification date of the Form 900 being prepared (whichever is the longer period of time). Other types of deeds that are not full deed(s) for value, i.e. quit claim, sheriff, tax are not acceptable for basing the time line of the search. The most recent full value deed and all conveyances thereafter must be disclosed, but prior questionable or explanatory conveyances should also be disclosed. When listing the deeds, the search should list the names exactly as they are listed in the deed and the recording information.

C. If title proceedings are pending, the action, parties and minutes should be described or copies thereof included with the search that shall be in compliance with the Abstracting Standards of the Iowa Land Title Association.

D. Instruments reported within the required timeline should identify the document, the parties, recording information and appurtenant facts or copies thereof included with the search.

E. At least 10 year name searches for every titleholder found in the property search required in paragraph B above.

F. Real estate taxes and special assessments must be searched.

G. After closing and the recording of the refinance or second mortgage, the participating abstractor will prepare the Post Closing Search Form 901 covering this recording. Any changes in the title record since the original search report must be disclosed in the Post Closing Search Form 901. Releases and other clearance documents recorded after the mortgage to be guaranteed may be shown by addendum to Post Closing Search Form 901.

H. Participating attorney or applicant may request additional information.

I. Participating abstractor may include additional information deemed prudent and/or necessary.

**Section 8.03 *Required Division Form 900*****Instructions for Completing the Form:**

- 1. Insert the name and address of the lender.**
- 2. Insert the name of the county.**
- 3. Insert the abstractor's reference or file number.**
- 4. Insert the mortgage loan number, if available.**
- 5. Type in the complete legal description of the property being searched.**
- 6. Type in the complete property/street address of the property being searched.**
- 7. Insert the name of the titleholder(s).**
- 8. Insert how the titleholder(s) currently hold title, ex: Joint Tenants with Full Rights of Survivorship and Not as Tenants in Common, Tenancy in Common.**
- 9. Insert the name of the titleholder(s) who conveyed the property to the current titleholder(s).**
- 10. Insert how the previous titleholder(s) held title, ex: husband and wife, a single person.**
- 11. Insert the date the warranty deed was signed.**
- 12. Insert the date the warranty deed was recorded.**
- 13. Insert the recording information.**
- 14. Insert the most recent full value deed and all conveyances thereafter contained in the search which commences from the execution date of a deed for full value or at least two years prior to the certification date, which ever is the longer period of time.**
- 15. Insert the type of mortgage, ex: first, second, open-end, variable rate, construction, etc.**
- 16. Insert the name of the lender.**
- 17. Insert the names of the borrower(s).**

- 18. Insert the marital status of the borrower(s).**
- 19. Insert the date the mortgage was signed.**
- 20. Insert the date the mortgage was recorded.**
- 21. Insert the recording information.**
- 22. Insert the amount of the mortgage.**
- 23. Any additional mortgages, installment contracts, or other liens may be added here and any assignments of the mortgage may also be added here.**
- 24. Insert the case # of any proceeding, lien, etc. found, the caption of the case as party vs. party, the date entered, the amount of the judgments, costs, interest, penalties if applicable, or other appurtenant information.**
- 25. Insert the year of the past fiscal years taxes that have been paid current.**
- 26. Insert the current fiscal year for taxes.**
- 27. Insert the total amount of the taxes assessed for the current fiscal year.**
- 28. Insert the amount of the first installment due.**
- 29. State whether the first installment of taxes has been paid, due, delinquent or not yet certified.**
- 30. Insert the amount of the second installment of taxes due.**
- 31. State whether the second installment of taxes has been paid, due, delinquent or not yet certified.**
- 32. Insert the Parcel Number(s) of the property.**
- 33. Insert year and amount of the county assessor's most current assessed value of the property.**
- 34. Check the appropriate box to indicate whether the assessor lists taxes as residential.**
- 35. Insert the day the search was completed.**
- 36. Insert the month the search was completed.**
- 37. Insert the year the search was completed.**

**38. Insert the time including the hour, minute and seconds that the search was completed.**

**39. Insert the name of the county.**

**40. Insert the Participating Abstractor's Title Guaranty Number, the Abstractor's name and address.**

**41. The Participating Abstractor must sign the form.**

**TITLE GUARANTY  
REPORT OF TITLE  
DIVISION FORM 900**

TO: \_\_\_\_\_1\_\_\_\_\_ (NAME AND ADDRESS)

We furnish the following information of record in \_\_\_\_\_2\_\_\_\_\_ County, Iowa:

ABSTRACT NO. OR REFERENCE NO.: \_\_\_\_\_3\_\_\_\_\_; LOAN NO.: \_\_\_\_\_4\_\_\_\_\_

LEGAL DESCRIPTION: 5

PROPERTY ADDRESS: 6

LAST GRANTEE, DEVISEE, OR HEIR OF RECORD:

Deed conveys the hereinafter described real estate to:

\_\_\_\_\_7\_\_\_\_\_, as \_\_\_\_\_8\_\_\_\_\_, from  
\_\_\_\_\_9\_\_\_\_\_, as \_\_\_\_\_10\_\_\_\_\_, dated \_\_\_\_\_11\_\_\_\_\_ and filed  
\_\_\_\_\_12\_\_\_\_\_ in Book/Page or Instrument/Document No. \_\_\_\_\_13\_\_\_\_\_.

14

UNRELEASED MORTGAGES AND ASSIGNMENTS:

\_\_\_\_\_15\_\_\_\_\_ Mortgage in favor of \_\_\_\_\_16\_\_\_\_\_ from \_\_\_\_\_17\_\_\_\_\_  
\_\_\_\_\_ as \_\_\_\_\_18\_\_\_\_\_ dated \_\_\_\_\_19\_\_\_\_\_,  
filed \_\_\_\_\_20\_\_\_\_\_, in Book/Page/ or Instrument/Document No.  
\_\_\_\_\_21\_\_\_\_\_, to secure an indebtedness of \$ \_\_\_\_\_22\_\_\_\_\_.

23

COURT PROCEEDINGS, JUDGMENTS, LIENS, ETC.: 24

## TAXES AND SPECIAL ASSESSMENTS:

GENERAL TAXES for the year 25 and prior years, paid.GENERAL TAXES for the year 26, \$27,First one-half, \$28; 29;Second one-half, \$30, 31.PARCEL NO. 3233 ASSESSED VALUE: \$33RESIDENTIAL TAXES: 34 YES 34 NO

THIS REPORT IS GIVEN SOLELY FOR THE PURPOSE OF ISSUANCE OF A LENDER CERTIFICATE BY THE TITLE GUARANTY DIVISION, 200 EAST GRAND AVE., SUITE 350, DES MOINES, IA 50309, ON ABOVE MORTGAGEE'S LOAN AND IS NOT INTENDED TO BE USED FOR SALE OR TRANSFER. NO LIABILITY FOR ERRORS OR OMISSIONS WILL ACCRUE TO THE BENEFIT OF ANY OTHER PERSON, FIRM OR CORPORATION. NO REPORT IS MADE OF INSTRUMENTS OR PROCEEDINGS NOT WITHIN THE LISTED CATEGORIES. JUDGMENT AND LIEN SEARCH HAS BEEN MADE AGAINST ALL PARTIES WITHIN THE CHAIN OF TITLE PURSUANT TO TITLE GUARANTY REQUIREMENTS. THIS REPORT IS NOT A GUARANTY OF TITLE, OR A STATEMENT AS TO THE LEGALITY OF SUFFICIENCY OF ANY INSTRUMENT OR PROCEEDING INSPECTED IN THE CHAIN OF TITLE TO THE ABOVE REAL ESTATE.

SEARCH ending on 35 day of 36, 2037 at 38A.M./P.M., 39 County, Iowa.TGD # 40

ABTRACTOR NAME

ADDRESS

By 41

(Authorized Signature)

Section 8.04 *Required Division Form 901*

**Instructions for Completing the Form:**

- 42. Insert the name and address of the lender.**
- 43. Insert the name of the county.**
- 44. Insert the abstractor's reference or file number.**
- 45. Insert the mortgage loan number, if available.**
- 46. Insert the date and time of the previous Title Guaranty Report (Form 900).**
- 47. Type in the complete legal description of the property being searched.**
- 48. Type in the complete property/street address of the property being searched.**
- 49. Insert the names of the titleholder(s).**
- 50. Insert complete recording or filing information here or attach copies of the recorded or filed documents.**
- 51. Insert the day the search was completed.**
- 52. Insert the month the search was completed.**
- 53. Insert the year the search was completed.**
- 54. Insert the time including the hour, minute and seconds that the search as completed. The certification must include the recording of the mortgage to be guaranteed.**
- 55. Insert the name of the county.**
- 56. Insert the Participating Abstractor's Title Guaranty Number, the Abstractor's name and address.**
- 57. The Participating Abstractor must sign the form.**
- 58. Addendum may be added by fully disclosing all clearance filings or recording entered after certification date. Complete copies may be attached in lieu of complete information.**



**TITLE GUARANTY  
REPORT OF TITLE – POST CLOSING SEARCH  
DIVISION FORM 901**

TO: \_\_\_\_\_<sup>42</sup>\_\_\_\_\_ (NAME AND ADDRESS)

We furnish the following information of record in \_\_\_\_\_<sup>43</sup>\_\_\_\_\_ County,

Iowa:

ABSTRACT NO. OR REFERENCE NO.: \_\_\_\_\_<sup>44</sup>\_\_\_\_\_, LOAN NO. \_\_\_\_<sup>45</sup>\_\_\_\_\_

PREVIOUS REPORT OF TITLE DATE AND TIME:

\_\_\_\_\_<sup>46</sup>\_\_\_\_\_

LEGAL DESCRIPTION: <sup>47</sup>

PROPERTY ADDRESS: <sup>48</sup>

Last recorded Deed conveys the hereinafter described real estate to:

NAME OF TITLEHOLDER(S) <sup>49</sup>

WE ALSO furnish the following new information of record since our previous report:

TAXES, AFFIDAVITS, JUDGMENTS, SATISFACTIONS, RELEASES,  
MORTGAGES, ASSIGNMENTS, DEEDS, ETC: <sup>50</sup>

THIS REPORT IS GIVEN SOLELY FOR THE PURPOSE OF ISSUANCE OF A LENDER CERTIFICATE BY THE TITLE GUARANTY DIVISION, 200 EAST GRAND AVE., SUITE 350, DES MOINES, IA 50309, ON ABOVE MORTGAGEE'S LOAN AND IS NOT INTENDED TO BE USED FOR SALE OR TRANSFER. NO LIABILITY FOR ERRORS OR OMISSIONS WILL ACCRUE TO THE BENEFIT OF ANY OTHER PERSON, FIRM OR CORPORATION. NO REPORT IS MADE OF INSTRUMENTS OR PROCEEDINGS NOT WITHIN THE LISTED CATEGORIES. JUDGMENT AND LIEN SEARCH HAS BEEN MADE AGAINST ALL PARTIES WITHIN THE CHAIN OF TITLE PURSUANT TO TITLE GUARANTY REQUIREMENTS. THIS REPORT IS NOT A GUARANTY OF TITLE, OR A STATEMENT AS TO THE LEGALITY OF SUFFICIENCY OF

ANY INSTRUMENT OR PROCEEDING INSPECTED IN THE CHAIN OF TITLE  
TO THE ABOVE REAL ESTATE.

SEARCH ending on \_\_\_\_51\_\_\_\_ day of \_\_\_\_52\_\_\_\_, 20\_53\_ at \_\_\_\_54\_\_\_\_

A.M./P.M., \_\_\_\_55\_\_\_\_ County, Iowa.

TGD # \_\_\_\_40\_\_\_\_

ABTRACTOR NAME

ADDRESS

By \_\_\_\_41\_\_\_\_  
(Authorized Signature)

ADDENDUM: ALL AFFIDAVITS, RELEASES, SATISFACTIONS, OR OTHER  
CLEARANCE DOCUMENTS FILED OR RECORDED AFTER CERTIFICATION: 58

## **Article IX. Procedures and Requirements for a Rapid Certificate**

1. This program is only available for “attorney or abstractor issued” Certificates.
2. A participant may issue a final Title Guaranty Certificate guaranteeing over a prior mortgage that has not yet been released of record, if all of the following conditions are satisfied:
  - a. The participant has previously executed a Division Form 800 (Attorney Agreement – Rapid Certificate Program), and the executed Division Form 800 has been approved by the Director of the Division.
  - b. The amount of the prior mortgage is \$500,000 or less.
  - c. The participant has in his/her physical possession all of the documentation that is required to be submitted to the Division for release of mortgage as provided for in Iowa Code section 16.92(2)(a) (2003) and 265 IAC 9.20(2) “a”.
  - d. The Certificate is based on a certified abstract, re-continued through the recording of the guaranteed mortgage or recording of the conveyance if a sale transaction or the 265 IAC 9.6(4) procedure.
  - e. The Certificate is issued within six (6) months of the closing of the guaranteed mortgage or recording of the conveyance if a sale transaction.
3. The participant shall make an exception on Schedule B stating the pertinent information about the unreleased prior mortgage, and attach an Endorsement Against Loss-Mortgage Liens Division Form 478 to the Certificate(s) specifically noting on the Endorsement the paragraph number of Schedule B where the exception was made for the prior mortgage.
4. Four months after the closing of the guaranteed mortgage the participant shall apply to the Division for release of mortgage as provided for in Iowa Code Section 16.92 (2003) and 265 IAC 9.20 unless the public records show the prior mortgage released of record.
5. The participant shall provide to the Division, within six (6) months of the closing of the guaranteed mortgage or recording of the conveyance if a sale transaction, the completed Division Form 801 (Showing of Release), stating that the public records now show the prior mortgage released of record.
6. If the participant fails to provide the Division the completed Division Form 801 within six (6) months of the closing of guaranteed mortgage or recording of the conveyance if a sale transaction, the Director of the Division, at his/her sole discretion, may revoke said participant’s privilege to issue Certificates under the Rapid Certificate Program.
7. Violation of the procedures and requirements of the Rapid Certificate Program by the participant shall be considered, at a minimum, a violation of Iowa Code section 16.91 (2003) and the rules promulgated thereunder, and a breach of his/her Participation Agreement.
8. The participant shall at all times cooperate with and assist the Division’s staff, or its designee, concerning the administration of the Rapid Certificate Program.

**Participation Agreement – Rapid Certificate Program  
Division Form 800**

I, \_\_\_\_\_, Title Guaranty Member Number \_\_\_\_\_, agree on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, to the following:

1. A participant may issue a final Title Guaranty Lender Certificate or Owner Certificate (Certificate) guaranteeing over a prior mortgage that has not yet been released of record, if all of the following conditions are satisfied:
  - a. The participant has previously executed a Division Form 800 (Participation Agreement – Rapid Certificate Program), and the executed Division Form 800 has been approved by the Director of the Division.
  - b. The amount of the prior mortgage lien is \$500,000 or less.
  - c. The participant has in his/her physical possession all of the documentation that is required to be submitted to the Division for release of mortgage as provided for in Iowa Code section 16.92(2)(a) (2003) and 265 IAC 9.20(2) “a”.
  - d. The Certificate is based upon a certified abstract, re-continued through the recording of the guaranteed mortgage or recording of the conveyance if a sale transaction or the 265 IAC 9.6(4) procedure.
  - e. Four months after the closing of the guaranteed mortgage the participant shall apply to the Division for release of mortgage as provided for in Iowa Code Section 16.92 (2003) and 265 IAC 9.20 unless the public records show the prior mortgage released of record
  - f. The Certificate is issued within six (6) months of the closing of the guaranteed mortgage or recording of the conveyance if a sale transaction.
2. The participant shall make an exception on Schedule B stating the pertinent information about the unreleased prior mortgage, and attach an Endorsement Against Loss-Mortgage Liens Division Form 478 to the Certificate(s) including on the endorsement the paragraph number of Schedule B where the exception was made for the prior mortgage.
3. The participant shall provide to the Division, within six (6) months of the closing of the guaranteed mortgage, a completed Division Form 801 (Showing of Release), stating that the public records now show the prior mortgage released of record.
4. If the participant fails to provide the Division the completed Division Form 801 within six (6) months of the closing of the guaranteed mortgage, the Director of the Division, at his/her sole discretion, may revoke said participant’s privilege to issue Certificates under the Rapid Certificate Program.
5. Violation of the procedures and requirements of the Rapid Certificate Program by the participant shall be considered, at a minimum, a violation of Iowa Code section 16.91 (2003) and the rules promulgated there under, and a breach of his/her Participation Agreement.
6. The participant shall at all times cooperate with and assist the Division’s staff, or its designee, concerning the administration of the Rapid Certificate Program.
7. This program is only available for “attorney or abstractor issued” Certificates.

8. The participant understands and agrees that the Director of the Division has the right to terminate the Rapid Certificate Program at any time, at his/her own discretion.

\_\_\_\_\_  
(Signature of participant)

\_\_\_\_\_  
(Typed name of participant)

\_\_\_\_\_  
(Typed TGD Member Number)

Approved by:

\_\_\_\_\_  
Director – Title Guaranty Division

\_\_\_\_\_  
Date

**Showing of Release – Rapid Certificate Program  
Division Form 801**

Certificate No.:- \_\_\_\_\_

I, \_\_\_\_\_, with Title Guaranty Member Number \_\_\_\_\_, state that the public records now show the following mortgage effectively released of record according to Iowa law and title standards:

Mortgagor Name(s): \_\_\_\_\_

Mortgagee Name: \_\_\_\_\_

Date of Mortgage: \_\_\_\_\_

Filing Date of Mortgage: \_\_\_\_\_

Recording Information of Mortgage: \_\_\_\_\_

By mortgage release with the following information:

Grantor of Release Name: \_\_\_\_\_

Date of Release: \_\_\_\_\_

Filing Date of Release: \_\_\_\_\_

Recording Information of Release: \_\_\_\_\_

\_\_\_\_\_  
(SIGNATURE OF PARTICIPANT)

\_\_\_\_\_  
DATE

\_\_\_\_\_  
(TYPED NAME OF PARTICIPANT)

\_\_\_\_\_  
(TYPED TGD MEMBER NUMBER)

## **Article X. Model Title Opinions**

A model Preliminary and Final Title Opinion are outlined in the following pages.

## Model Preliminary Title Opinion

## LETTERHEAD

Date

**Attention:**

**Title Guaranty Division  
200 E. Grand, Suite 350  
Des Moines, IA 50309**

And

RE:

Dear \_\_\_\_\_ :

The undersigned has examined abstracts of title purporting to reflect the contents of such records relative to said land, which abstracts are deemed sufficiently complete and worthy of confidence, and that said examination began with a well recognized source of good title and covered a period which, in the opinion of the undersigned, and in accordance with the practice of competent Iowa title attorneys, is deemed sufficient to establish good title. After such examination, it is the opinion of the undersigned that, subject only to the matters shown under Schedules B and C hereof, a good and merchantable **fee simple** title with **no** lack of a right of public access to the premises described in Schedule A hereof was, at the date of this opinion, indefeasibly vested in:

(Note: The participating attorney shall complete the bold type in regard to status of title and as to whether there is public access to the premises.)

That the undersigned has examined the abstract of title last certified by \_\_\_\_\_, Title Guaranty Member No. \_\_\_\_\_, last continued to \_\_\_\_\_.

**SCHEDULE A**

The abstract covers the real estate described as: \*

\*(Note: If the legal description is lengthy you may want to set up a separate page labeled **Schedule A, Legal Description**, and refer to “attached Schedule A Legal Description” above.)



Preliminary Opinion

Date

Page 2

### **SCHEDULE B-I**

If there are no liens, encumbrances, or objections of the type described, list NONE after each item. If objections are noted, they should be set forth in full including recording dates and document numbers after the applicable item with any requirements for the deletion of the lien, encumbrance or objection.

1. The lien of the taxes for the July 1, 20\_\_ - June 30, 20\_\_ fiscal year (due and payable in the following fiscal year) and thereafter. (Explain whether due, paid or delinquent):
2. Special Assessments:
3. Mortgage(s) and Assignment(s):
4. Leases or Land Contracts (recorded or known):
5. Plats of survey or subdivisions (identify matters such as roads, easements, building setback lines, etc.):
6. Easements, Agreements and Encroachments (recorded or known) and locate:
7. Restrictive Covenants, Conditions, Restrictions and/or Reservations:
8. Ordinances and Regulations:
9. Oil or Mineral Rights:
10. Mechanic's Liens:
11. Lis Pendens Notices or Other Notices:
12. Probate Proceedings:
13. Estate and Inheritance Taxes (Federal and State):
14. Judgments or Liens (including court costs, fines, penalties), Bankruptcy Proceedings or Suits Pending vs. Titleholders (past or present):
15. Judgments or Liens (including court costs, fines, penalties), Bankruptcy Proceedings or Suits Pending vs. Buyers:
16. Other Liens, Objections, and Defects:

Preliminary Opinion

Date

Page 3

**SCHEDULE B-II**

Recordation of the following duly executed and delivered instruments sufficient to create the estate or interest proposed:

1. Deed:
2. Mortgage:
3. Release:
4. Other:

Preliminary Opinion

Date

Page 4

### **SCHEDULE C**

Matters not covered by this opinion:

1. Rights or claims of parties in possession not shown by the public records.
2. Any encroachments, overlaps, boundary line disputes, easements, measurements, variations in area or content, party walls, or any other matters that an accurate survey and inspection of the premises would disclose.
3. Roads, ways, streams, or easements, not shown by the public records, riparian or water rights, and the title to any filled-in lands.
4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Taxes or special assessments that are not shown as existing liens by the public records.
6. Defects, liens, encumbrances, adverse claims, or other matters, if any, created, first appearing in the public records, or attaching subsequent to the Effective Date hereof but prior to the date the covered party acquires for value of record the estate or interest or mortgage thereon covered by this Opinion.
7. Restrictions as to building, occupancy, or usage contained in applicable zoning or other city or county ordinances.
8. Rights of access to and from highways and streets that may be designated as "controlled access facilities by state or city authorities.
9. Rights of trustees in bankruptcy to set aside transfers of interest in real estate by bankrupt within one year prior to bankruptcy for inadequate consideration.
10. Environmental contamination of land now prohibited by Federal and State laws and regulations.
11. Matters of record not shown in the abstract(s).

5/1/06

X-113

Preliminary Opinion

Date

Page 5

This Opinion is for the benefit of the addressees only. No other persons are entitled to rely hereon.

Sincerely yours,

[Signature Is Required]

---

Participating Attorney - TGD Member No. \_\_\_\_  
Address

## LETTERHEAD

Model

Continuation of Preliminary Title Opinion Dated \_\_\_\_\_  
(Final Opinion)

Date

**Attention:**

**Title Guaranty Division**  
**200 E. Grand, Suite 350**  
**Des Moines, IA 50309**

And

RE:

Dear \_\_\_\_\_ :

I have made a final examination of the Abstract of Title from \_\_\_\_\_  
(effective date of search shown on my preliminary opinion) ending with Abstract No.  
\_\_\_\_\_, prepared by \_\_\_\_\_, Abstractor, Title Guaranty Member No. \_\_\_\_\_) who has  
certified that it reflects all matters up to \_\_\_\_\_ and covers the  
following described real estate:

(Legal description from the preliminary opinion)

As of that date we find from our examination that good and marketable title to the  
property described above is held in **fee simple** by:

Subject to all matters disclosed on Schedule B, with the following amendments:

A. Schedule B-I liens, encumbrances, or objections to be deleted in their entirety  
(disclose by paragraph number and sub-item):

B. Schedule B-I liens, encumbrances, or objections to be amended as follows:

1. The lien of the taxes for the July 1, 20\_\_ - June 30, 20\_\_ fiscal year (due and payable in the following fiscal year) and thereafter. (Explain whether, due, paid or delinquent):

Final Opinion

Date

Page 2

C. New Schedule B-I liens, encumbrances, or objections hereby adopted:

1. Mortgage and Assignment:

D. Schedule B-II is hereby deleted unless stated otherwise below:

This Opinion is for the benefit of the addressees only. No other persons are entitled to rely hereon.

Sincerely yours,

[Signature Is Required]

---

Participating Attorney - TGD Member No. \_\_\_\_  
Address

## **Article XI.      Jackets**

Following are sample copies of the Commitment, Owner, and Lender Jackets.

## Section 11.01

## Commitment Jacket

DIVISION FORM 100  
CF COVER (2-92)



## CONDITIONS AND STIPULATIONS

- [illegible]

### STANDARD EXCEPTIONS IN CERTIFICATE

The Owner Certificate will be subject to the following Standard Exceptions:

1. Rights or claims of parties in possession not shown by the public records;
2. Encroachments, overlaps, boundary line disputes, and any matters which would be disclosed by accurate survey and inspection of the premises;
3. Easements, or claims of easements, not shown by the public records;
4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, in whole or in part, by law and not shown by the public records;
5. Taxes or special assessments which are not shown as levied against the premises by the public records; and

## SCF E B

Schedule B of the Certificate or Cert above); and exceptions to the follow Division;	to be ters	all co e sa	the e	ible d of	ard Exception satisfaction
--	---------------	----------------	----------	--------------	-------------------------------

1. Defects, liens, public records, encumbrances, attaching for value, and other matters, including the priority of this mortgage, shall be the responsibility of the lender. The lender shall be responsible for the accuracy of the public records, including the priority of this mortgage, and for the accuracy of the public records, including the priority of this mortgage.
2. The lender shall be responsible for the accuracy of the public records, including the priority of this mortgage, and for the accuracy of the public records, including the priority of this mortgage.
3. The lender shall be responsible for the accuracy of the public records, including the priority of this mortgage, and for the accuracy of the public records, including the priority of this mortgage.
4. The lender shall be responsible for the accuracy of the public records, including the priority of this mortgage, and for the accuracy of the public records, including the priority of this mortgage.

(Continued on Extension of Schedule B attached hereto)



Section 11.02 *Owner Jacket*

[Redacted]

Serial No. **O—**

**OWNER FORM**


**TITLE GUARANTY CERTIFICATE**

Issued by  
**Title Guaranty Division**  
Iowa Finance Authority

SUBJECT TO THE EXCLUSIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE PROVISIONS OF THE IOWA FINANCE AUTHORITY'S TITLE GUARANTY POLICY, THE TITLE GUARANTY DIVISION OF THE IOWA FINANCE AUTHORITY HEREBY GUARANTEES, AS OF DATE OF ISSUANCE, THE ACCURACY OF THE INFORMATION CONTAINED IN SCHEDULE A, AND THE COVERAGE STATEMENT HEREON. THE DIVISION SHALL BE OBLIGATED TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE GRANTEE FROM ALL LOSSES, DAMAGES, COSTS, ATTORNEY'S FEES AND EXPENSES WHICH MAY BE INCURRED BY THE GRANTEE HEREUNDER, SUSTAINED OR INCURRED BY THE GRANTEE OR ANY PERSON OR ENTITY CLAIMING THROUGH OR BY THE GRANTEE.

1. Title to the property or interest therein is not subject to any other lien or encumbrance;
2. Any defect in title or interest in the property;
3. Lack of access to the property;
4. Unmarketability of such property.

In Witness Whereof, the Title Guaranty Division has caused this Certificate to be signed and sealed in its office by its duly authorized officer, and it shall become binding when countersigned by a duly authorized officer of the Title Guaranty Division.

  
**Title Guaranty Division**

DIVISION FORM 200  
OF COVER (1/87)

PRINT (03/2005)

The following matters are expressly excluded from the scope of this certification:

- Owner Jacket Page Two

## 1. Definition of Terms

(a) "Guaranteed": the Guaranteed named in Schedule A, and, subject to any rights or defenses the Division may have had against the named Guaranteed, those who succeed to the interest of such Guaranteed by operation of law as distinguished from purchases including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.

(c) "knowledge": actual knowledge, not constructive knowledge or notice which may be imputed to a Guarantor by reason of any public records.

(c) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

2. Continuation of Guaranty after Conversion of Title

Release and Production Action - M of  
given I Love prima

(b) The Division shall notify the Division promptly in writing if a proceeding is begun as set forth in this section. If knowledge shall come to a Guaranteed

(c) The Division shall have the right at its own cost to institute and without undue delay prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable

(e) In all cases where this Certificate permits or Division to prosecute or provide for the defense of proceeding, the Guaranteed hereunder shall secure to the right to so prosecute or provide defense in such action and all appeals therein, and permit the Division to use the name of such Guaranteed for purpose. When by the Division, such Guaranteed shall give the reasonable aid in such or proceeding, settlement, or defense, or p g witnesses, or ng, and the I reimburse for sense so incur

In these proceedings, his Certificate of fact stated that Division

in testimony for the same reason as been damaged by fire.

tices relating to it shall be covered by damage insurance certificate

ed under paragraph 1 of the Division was determined until 30 day following the date of liability

(b) of any other person or entity under the law.

ion shall have the right to otherwise settle for the benefit of the insured, and the claim guaranteed against the insured's liability and obligations of the Division hereunder shall be tendered payment of the amount of coverage under the policy together with any costs, attorneys' fees and expenses incurred by the insured, at the time of such payment or tender of payment, by the Division and authorized by the Division.

(a) The liability of the Division under this Certificate shall in no case exceed the least of:

(b) The Division will pay, in addition to any loss guaranteed against by this Certificate, all costs imposed upon a Guaranteed in litigation carried on by the Division for such Guaranteed and all costs, attorneys' fees and expenses in litigation carried on by such Guaranteed with the written authorization of the Division.

## 7. Limitation of Liability

No claim shall arise or be maintainable under this Certificate (a) if the Division, after having received notice of an alleged defect, lien or encumbrance guaranteed against hereunder, by litigation or otherwise, removes such defect, lien or encumbrance or establishes the title, as guaranteed, within a reasonable time after receipt of such notice; (b) in the event of litigation until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, as guaranteed, as provided in paragraph 3 hereof; or (c) for liability voluntarily assumed by the Guaranteed in settling any claim or suit without prior written consent of the Division.

Owner Jacket Page Three

### CONDITIONS AND STIPULATIONS (continued)

### 8. Reduction of Liability

All payments under this Certificate except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the coverage pro tanto. No payment shall be made without producing this Certificate for endorsement of such payment unless the Certificate be lost or destroyed, in which case proof of such loss or destruction shall be furnished to the satisfaction of the Division.

### 9. Liability Noncumulative

It is expressly understood that the amount of coverage under this Certificate shall be reduced by any amount the Division may pay under any Certificate covering either (a) a mortgage shown or referred to in Schedule B hereof which is a lien on the estate or interest covered by this Certificate, or (b) a mortgage hereafter executed by a Guaranteed which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this Certificate. The Division shall have the option to apply to the payment of any such mortgages any amount that otherwise would be payable hereunder to the Guaranteed owner of the estate or interest covered by this Certificate and the amount so paid shall be deemed a payment under this Certificate to said Guaranteed owner.

## 10. Apportionment

[illegible]

such covered claimant would have had against any person or property in respect to such claim had this Certificate not been issued, and if requested by the Division, such covered claimant shall transfer to the Division all rights and remedies against any person or property necessary in order to perfect such right of subrogation and shall permit the Division to use the name of such covered claimant in any transaction or litigation involving such rights or remedies. If the payment does not cover the loss of such covered claimant, the Division shall then be subrogated to such rights and remedies in the proportion which said payment bears to the amount of said loss. If loss should result from the negligence of a covered claimant, such act shall not void this Certificate. If the Division, in that event, shall be required to pay any losses guaranteed against the insured, the insured shall be required to pay the amount, if any, lost to the insured by reason of the right of subrogation.

12. **Issued to Certificate**

ins Ce and claim is or e, and intere all by certifi is of the Title Code. account of any the total amount e Guaranty Fu any reinsurance endment of or pt by writing emorized signatory of the Division.


## 13 Cases, Where Sent

Services required to be given the Division and any statement in writing required to be furnished the Division shall be addressed to it at its main office at East Grand Office Park, 200 East Grand Avenue, Suite 350, Des Moines, Iowa 50309.

1. Subrogation U	Pay	or Se	en	
Whenever the Di	sha	settle	hair	thi
all right	ubro	shall	in t	isso
any ac	se	aima	e D	sha
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Section 11.03 *Lender Jacket*

Serial No. L-	LENDER FORM TITLE GUARANTY CERTIFICATE
<small>(Same coverage as American Land Title Association Standard Loan Policy-1970 amended 10-17-70)</small>	
Issued by <b>Title Guaranty Division</b> Iowa Finance Authority	
<p>SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS CONTAINED IN RULE B AND THE PROVISIONS OF THE CONDITIONS AND STIPULATIONS HEREOF, the Title Guaranty Division of the Iowa Finance Authority, herein called the Division, warrants, as stated in the Certificate shown in Schedule A, against loss or damage, not excepted from the scope of coverage set forth in Schedule A, and costs, attorneys' fees and expenses which may become obligated to pay hereunder, sustained or incurred by the Guaranteed by reason of:</p> <ol style="list-style-type: none"> <li>1. Title to the estate or interest described in Schedule A other than as stated in the title.</li> <li>2. Any defect in or lien or encumbrance on said title;</li> <li>3. Lack of a right of access to the land from the street;</li> <li>4. Unmarketability of such title;</li> <li>5. The invalidity or unenforceability of the mortgage loan on said estate or interest except to the extent that the lender's obligation to complete the transaction entered into by the lender and borrower hereon arises from:             <ol style="list-style-type: none"> <li>a. usury,</li> <li>b. any contract credit purchase or leasehold interest in real property where the priority lien or encumbrance of the lender's mortgage; or</li> <li>c. any statute or labor agreement which hereafter may prohibit the enforcement of the mortgage debt secured by such mortgage arising from the sale of the property at public auction under the terms of the Certificate notwithstanding the fact that the mortgage was assigned to the lender prior to the completion of the mortgage loan.</li> </ol> </li> <li>8. The invalidity or unenforceability of any general lien or mortgage shown in Schedule A, or the guarantor's failure to perfect its mortgage in the named jurisdiction.</li> </ol> <p>When the Title Guaranty Division has issued this Certificate to be signed and sealed in its official capacity and becomes binding when countersigned by a duly authorized officer of the lender.</p>	
	
<b>TITLE GUARANTY DIVISION</b> <i>Lloyd W. Ogle</i> Lloyd W. Ogle, Director	
DIVISION FORM 300 LF COVER (4/96)	



The following matters are expressly excluded from the coverage of this Certificate:

- Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a partition in the dimensions or area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
- Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Certificate.
- Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the covered claimant; (b) not known to the Division and not shown by the public records but known to the covered claimant either at Date of Certificate or at the date such claimant acquired an estate or interest guaranteed by this Certificate, or acquired the guaranteed mortgage and not disclosed in writing by the covered claimant to the Division prior to the date such covered claimant became a Guaranteed hereunder; (c) resulting in no loss or damage to the covered claimant; or (d) attaching or created subsequent to Date of Certificate (except to the extent covered hereunder as to any state or local law, ordinance or labor or material).
- Unenforceability of the lien of the guaranteed mortgage or the use of the Guaranteed at Date of Certificate or of any subsequent owner of the indebtedness to comply with applicable laws of the state or of any local jurisdiction in which the land is situated.

## 1. Definitions of Terms

[illegible]

The certificate shall be in the form attached as an exhibit to the Date of Certificate of the Guarantor of the mortgage and shall cover all or any part of the interest in the land covered by the mortgage as set forth in Schedule A by foreclosure of the mortgage, or by sale in lieu of foreclosure, or other manner which discharges the lien of the guaranteed mortgage; if the Guaranteed is a corporation, its transferee of the interest so acquired, provided the transferee is the parent or wholly owned subsidiary of the Guarantor; and in favor of any governmental agency or instrumentality which acquires all or part of the estate or interest pursuant to a contract of insurance or guaranty insuring or guaranteeing the indebtedness secured by the guaranteed mortgage; provided that the amount of coverage hereunder after such acquisition, exclusive of costs, attorneys' fees and expenses which the Division may become obligated to pay, shall not exceed the least of:

- (i) the amount of coverage stated in Schedule A;
- (ii) the amount of the unpaid principal of the indebtedness as defined in paragraph 8 hereof, plus interest thereon, expenses of foreclosure and amounts advanced to protect the lien of the guaranteed mortgage and secured by said guaranteed mortgage at the time of acquisition of such estate or interest in the land; or
- (iii) the amount paid by any governmental agency or instrumentality, if such agency or instrumentality is the covered claimant, in the acquisition of such estate or interest in satisfaction of its insurance contract or guaranty.

**CONDITIONS AND STIPULATIONS** (continued on page below inserts)



### CONDITIONS AND STIPULATIONS (continued)

except to the extent that such payments reduce the amount of the indebtedness secured by the guaranteed mortgage.

Payment in full by any person or voluntary satisfaction or release of the guaranteed mortgage shall terminate all liability of the Division except as provided in paragraph 2(a) hereof.

(b) The liability of the Division shall not be increased by additional principal indebtedness created subsequent to Date of Certificate, except as to amounts advanced to protect the lien of the guaranteed mortgage and secured thereby.

No payment shall be made without producing this Certificate for endorsement of such payment unless the Certificate be lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Division.

### 9. Liability Noncumulative

If the Guaranteed acquires title to the estate or interest in satisfaction of the indebtedness secured by the guaranteed mortgage, or any part thereof, it is expressly understood that the amount of coverage under this Certificate shall be reduced by any amount the Division may pay under any Certificate guaranteeing a mortgage hereafter executed by a Guaranteed which is a charge or lien on the estate or interest described or referred to in Schedule A, and amount so paid shall be deemed a payment under this Certificate.

#### 10. Subrogation Upon Payment or Settlement of Claim

[illegible]

requested by the Division, such covered claimant shall transfer to the Division all rights and remedies against any person or property necessary in order to perfect such right of subrogation and shall permit the Division to use the name of such covered claimant in any transaction or litigation involving such rights or remedies. If the payment does not cover the loss of such covered claimant, the Division shall be subrogated to such rights and remedies in the proportion which said payment bears to the amount of such loss, but such subrogation shall be in subordination to the rights of the mortgagee. If loss of priority should result from the payment of such covered claimant, such act shall not void the mortgage of the Division, in that event, shall be required to reimburse the Division for any losses guaranteed against hereunder within the amount, if any, lost to the Division by reason of the payment of the right of subrogator.

## 11. Liability Limited

[illegible][illegible]

**Where**  
... required to  
... required to be  
... its main office a  
... Suite 350, Des  
... 306

